S. HRG. 99-440

TARR AND GRILES NOMINATIONS

HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON THE

NOMINATION OF RALPH W. TARR TO BE SOLICITOR, DEPARTMENT OF THE INTERIOR, AND J. STEVEN GRILES TO BE ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR

DECEMBER 4, 1985

Printed for the use of the
Committee on Energy and Natural Resources

57-309 O

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1986

S311-26

57-309 O—86——1

COMMITTEE ON ENERGY AND NATURAL RESOURCES

JAMES A. McCLURE, Idaho, *Chairman*

MARK O. HATFIELD, Oregon
LOWELL P. WEICKER, JR., Connecticut
PETE V. DOMENICI, New Mexico
MALCOLM WALLOP, Wyoming
JOHN W. WARNER, Virginia
FRANK H. MURKOWSKI, Alaska
DON NICKLES, Oklahoma
CHIC HECHT, Nevada
DANIEL J. EVANS, Washington

J. BENNETT JOHNSTON, Louisiana
DALE BUMPERS, Arkansas
WENDELL H. FORD, Kentucky
HOWARD M. METZENBAUM, Ohio
JOHN MELCHER, Montana
BILL BRADLEY, New Jersey
JEFF BINGAMAN, New Mexico
JOHN D. ROCKEFELLER IV, West Virginia

FRANK M. CUSHING, *Staff Director*
GARY G. ELLSWORTH, *Chief Counsel*
D. MICHAEL HARVEY, *Chief Counsel for the Minority*

CONTENTS

STATEMENTS

	Page
Griles, J. Steven, nominee to be Assistant Secretary for Land and Minerals Management, Department of the Interior	17
McClure, Hon. James A., a U.S. Senator from the State of Idaho	1
Tarr, Ralph W., nominee to be Solicitor, Department of the Interior	4
Wallop, Hon. Malcolm, a U.S. Senator from the State of Wyoming	38
Warner, Hon. John W., a U.S. Senator from the State of Virginia	15
Wilson, Hon. Pete, a U.S. Senator from the State of California	2

APPENDIXES

APPENDIX I

Biographical and informational statements of:	
Ralph W. Tarr	43
J. Steven Griles	64

APPENDIX II

Responses to additional committee questions from:	
Ralph W. Tarr	90
J. Steven Griles	99

APPENDIX III

Additional material submitted for the record	162

TARR AND GRILES NOMINATIONS

WEDNESDAY, DECEMBER 4, 1985

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m., in room SD-366, Dirksen Senate Office Building, Hon. James A. McClure, chairman, presiding.

Present: Senators McClure, Wallop, Nickles, Hecht, Bumpers, Ford, Metzenbaum, and Bingaman.

Also present: James P. Beirne, senior counsel; D. Michael Harvey, chief counsel for the minority; and Patricia J. Beneke, counsel for the minority.

OPENING STATEMENT OF HON. JAMES A. McCLURE, A U.S. SENATOR FROM THE STATE OF IDAHO

The CHAIRMAN. The committee will come to order.

Today the committee will receive testimony on two nominations for the Department of the Interior—Ralph W. Tarr to be Solicitor, and J. Steven Griles to be Assistant Secretary for Land and Minerals Management. As previously announced, the committee was to have received testimony with respect to the nomination of Gerald Ralph Riso to be Assistant Secretary for Policy, Budget and Administration for the Department of the Interior. Unfortunately, due to a death in his family, Mr. Riso is unable to appear before the committee today. I would like to express our deepest sympathy and condolences to Mr. Riso and announce that the committee will reschedule a hearing to consider his nomination in the very near future.

Our first nominee, Ralph W. Tarr, is currently Principal Deputy Assistant Attorney General, Office of Legal Counsel, U.S. Department of Justice. He has served the Department since September 1982 where he also was designated as Acting Assistant Attorney General in charge of the Office of Legal Counsel. Previously he practiced law in a private firm where he was elected a shareholder, director, and vice president, as well as a member of the firm's executive committee.

Our second nominee today is J. Steven Griles. Mr. Griles has served the administration at the Department of the Interior since 1981, where he was Deputy Director, Office of Surface Mining, Deputy Assistant Secretary, and currently Acting Assistant Secretary of Land and Minerals Management.

Prior to joining the Department of the Interior, Mr. Griles served the State of Virginia in its conservation and economic department.

At this time I would like to recognize our distinguished colleague from California, the junior Senator from California, Mr. Wilson, who will introduce Mr. Tarr.

STATEMENT OF HON. PETE WILSON, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator WILSON. Thank you very much, Mr. Chairman. I am delighted to have the opportunity to introduce to you and to the committee Mr. Ralph Tarr who has, as you have indicated, been nominated by the President to serve as Solicitor for the Department of the Interior.

As you have noted, Mr. Chairman, Mr. Tarr possesses the credentials to bring a very high level of expertise to the position of Solicitor General. He has had a diverse legal background, combined with a distinguished record of public service.

Mr. Tarr joined the Reagan administration in 1982, as you have noted, in the role of Principal Deputy Assistant Attorney General in the Office of Legal Counsel for the U.S. Department of Justice. His most recent posting has been with the Office of the Assistant Attorney General, where he was Acting Assistant Attorney General from November 1984 through November of this year. He currently serves as Deputy in that office.

Prior to entering Government service on the Federal level, Mr. Tarr served as a law clerk to the Honorable George Brown, presiding justice of the California Court of Appeals in the Fifth Appellate District. He became an associate with the law firm of Baker, Manock & Jensen in Fresno, CA, in 1977. And in 1981, as you have indicated, was elected shareholder, director, and vice president as well as a member of the firm's executive committee. His emphasis while there at Manock & Jensen was on business and personal injury litigation.

Mr. Tarr was born and raised in Bakersfield, CA. He graduated from Dartmouth College magna cum laude, Phi Beta Kappa, with a B.A. degree in Government.

Following graduation, he returned to California and served for nearly 3 years as a staff assistant to then Gov. Ronald Reagan. He also earned a master's degree in public administration from California State University in Sacramento in 1973.

Mr. Tarr received his doctor juris degree from Hastings College of Law at the University of California in San Francisco. While at Hastings, he was recognized for his high scholarship by membership in the Order of the Coif and the Thurston Society and served on the editorial review board of the Hastings Law Journal.

During 1976 Mr. Tarr served as an extern for the Honorable William P. Clark, Jr., then associate justice of the California Supreme Court.

Ralph Tarr's legal qualifications and his wide range of experience make him ideally suited for the position of Solicitor for the Department of the Interior. Throughout his career he has demonstrated a high level of skill, dedication, and loyalty.

He will bring to this office not only a thorough understanding of the law, but equally important, a working knowledge of how to apply that law in practice.

Mr. Chairman, I will take no more of the committee's time. I would simply conclude by urging the committee to accept the nomination and pass it to the floor of the Senate, where we may have an early vote for confirmation.

Thank you.

The CHAIRMAN. Thank you very much, Senator Wilson. We very much appreciate your testimony, as I'm sure the nominee does as well.

Are there any questions of Senator Wilson?

[No response.]

The CHAIRMAN. I thank you very much.

Mr. Tarr, you may proceed.

Senator WILSON. Mr. Chairman, I would point out that Mr. Tarr comes armed this morning with great moral support from his lovely wife whom I think we should introduce.

The CHAIRMAN. Surely. We are very, very happy to have you with us, Linda.

Senator WILSON. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Tarr, the rules of the committee which apply to all nominees require that they be sworn in connection with their testimony. Will you please rise and raise your right hand?

[Whereupon, Ralph W. Tarr was duly sworn by the chairman.]

The CHAIRMAN. Please be seated.

Before you begin your statement, there are four questions which we ask to all witnesses who are nominated to positions requiring confirmation. I would like to ask these questions of you.

Will you be available to appear before this committee and other congressional committees to represent departmental positions and respond to issues of concern to the Congress?

Mr. TARR. I will.

The CHAIRMAN. Your informational statement has been submitted to the committee. However, it is required that this statement be made public unless the committee decides that special circumstances justify an exception.

Do you have any objection to the publication of your informational statement?

Mr. TARR. No objection.

The CHAIRMAN. Are you aware of any personal holdings, investments, or interests that could constitute a conflict of interest or create the appearance of such a conflict, should you be confirmed and assume the office to which you have been nominated by the President.

Mr. TARR. I would point out, Mr. Chairman, that on my questionnaire I have noted, and the Department of the Interior's ethics official has noted, the ownership of some shares in Diamond Shamrock Corp., which is in the type of business that is prohibited for holdings of a person who acts as Solicitor. And I pledge to the committee that, if confirmed, I will divest myself of the Diamond Shamrock Corp. stock.

The CHAIRMAN. Are you involved in or do you have any assets held in blind trusts?

Mr. TARR. No, I don't.

The CHAIRMAN. You may proceed with your statement.

STATEMENT OF RALPH W. TARR, NOMINEE TO BE SOLICITOR, DEPARTMENT OF THE INTERIOR

Mr. TARR. Thank you.

Mr. Chairman, members of the committee, I'm honored to appear before you as President Reagan's nominee to be Solicitor, Department of the Interior.

I would first like to thank Senator Wilson very much for his kind words on my behalf and for taking the time to be here this morning to introduce me to you.

If I might also take one moment to introduce, by name, my wife, who has been kind enough as usual to be my moral supporter, Dr. Linda Tarr, sitting in the front row.

The CHAIRMAN. We're very, very happy to have you with us.

Mr. TARR. I would be happy to submit my written statement for the record, Mr. Chairman.

The CHAIRMAN. It will be placed in the record.

Mr. TARR. Thank you.

If I might just add the high points of the statement that I would like to make clear to the committee. I appreciate the significance of the Office of Solicitor and the importance of the legal issues that I will be asked to provide advice to the Department upon.

In that regard, I am also eager to have the committee be aware that I will do all that I can to assist Secretary Hodel in the furtherance of his policy of consensus, consultation and accord on the broad policy issues that face the Department of the Interior.

I also am quite knowledgeable about the need for a close working relationship with the Congress and I look forward, if confirmed, to working with all of you on the committee and with other Members of Congress on what are some very difficult issues.

Finally, I would just point out that, having worked as a trial attorney, I understand that litigation is not the final answer to everything, and that it is best to take whatever steps we can to try to resolve issues without the need for litigation, and even if litigation ensues, to try to continue efforts at settlement in hopes that at least the issues are confined to some degree and some time and effort is saved. But I think that effort at settlement and those efforts at negotiation are important to the Secretary's efforts to try to reach a national consensus in this area.

Once again, I am pleased to appear before you today and would be happy to answer any questions.

The CHAIRMAN. Thank you very much, Mr. Tarr.

[The prepared statement of Mr. Tarr follows:]

STATEMENT OF RALPH W. TARR, NOMINEE TO BE
SOLICITOR, DEPARTMENT OF THE INTERIOR
DECEMBER 4, 1985

Mr. Chairman and Members of the Committee, I am honored to appear before you as President Reagan's nominee to be Solicitor, Department of the Interior.

In my view, the position of Solicitor is one of the most significant, challenging, and interesting positions in the Executive Branch. It is the duty of the Solicitor, as the chief legal adviser to the Department of the Interior, to provide counsel to the Secretary and the rest of the Department on how various legal issues affect the Department's management of this Nation's land, mineral, wildlife, and water resources. These matters directly affect the daily lives of millions of Americans, particularly in my home region, the West, and are of tremendous importance to all Americans. As you well know, these matters therefore engender considerable public debate, and the legal issues associated with them are often complex or difficult.

At the same time, these issues are fascinating and close to home. During my childhood in the San Joaquin Valley of California, which included frequent family visits to nearby Yosemite, Sequoia and Kings Canyon National Parks, fishing trips with my father, and family automobile trips throughout California and the United States, I developed a strong love

of the outdoors and appreciation for this Nation's wildlife and natural resources. Those interests have continued to guide my life choices from selecting the beautiful natural setting of Dartmouth College for my undergraduate education, to returning to the Central Valley of California after law school, to last week's Thanksgiving holiday spent in the Maryland countryside near Frederick, including a visit to Harper's Ferry National Historic Park and views of the Shenandoah and Potomac Rivers involving three different states. These experiences have been and continue to be an integral part of my life. Accordingly, I have a strong belief that we must conserve for future generations the opportunity for the same such experiences. At the same time, we must provide future generations with the same kind of opportunity for the quality of life that we enjoy today and for economic achievement that has characterized the history of this Nation.

I believe that my educational background and experience have prepared me well to assume the duties of Solicitor. Although those matters are chronicled in my response to the Committee's questionnaire, I would generally refer to my formal graduate level education in public administration and law, and my broad experience in government and the private sector and in a legal and a non-legal capacity. It has been a particular privilege, and an education, to serve in both

the California State Government, working closely with then Governor Ronald Reagan, and more recently in the United States government. With regard to the latter, I have had the honor of serving since 1982 as Principal Deputy Assistant Attorney General in the Office of Legal Counsel, Department of Justice, including a year as Acting Assistant Attorney General in charge of that Office under two different Attorneys General. This experience has been invaluable because of its unique perspective permitting exposure to the entirety of the Executive Branch and its interactions with the other two branches of the government. Thus, I have acquired not only substantive legal background involving issues affecting the federal government as a whole and the various agencies individually, but also what I hope is a broad understanding of the mechanics of the federal government.

In this regard, I am keenly aware that more than just cooperation within the Department of the Interior and the Executive Branch is required for successful administration of the Department. A close working relationship with Congress is also necessary. In carrying out the duties of Solicitor, if confirmed, I look forward to working closely with the Members of this Committee and other Members of Congress. I believe that such cooperation, effected with mutual appreciation for the respective functions of the two branches, is essential to dealing successfully with the issues involving America's natural resources.

Even broader cooperation is necessary, however, to achieve Secretary Hodel's goal of a national consensus on the broad policy matters within the jurisdiction of the Department. At his own confirmation hearing before this Committee, Secretary Hodel announced that his administration of the Department of the Interior would be characterized by a policy of consultation, consensus, and accord with regard to the issues he would face in carrying out his responsibilities as Secretary. As Solicitor I would seek to assist the Secretary in implementing this policy.

This policy is consistent with my basic approach to analysis of legal issues: to consider carefully the various conflicting legal positions before reaching a conclusion. Hearing and evaluating the best arguments that can be made with regard to any legal issue helps to bring into sharper focus the legal principles that will assist in arriving at an independent judgment on that particular issue.

I hasten to add that in my view such a process should occur, if possible, before litigation is filed. My five years in private practice as a trial lawyer convinced me that proper service to the client requires vigorous attempts to resolve disputes short of litigation. Litigation is costly, time consuming, and often not satisfying even to the party who wins a favorable judicial determination. Of course, in some cases litigation is unavoidable. In those cases, efforts at negotiation should still be made after the litigation

is filed. Even if unsuccessful in resolving the entire case, such negotiations often result in narrowing of the issues to be litigated.

I am eager to assume the responsibilities of Solicitor and to assist the President, Secretary Hodel, and the Department of the Interior in executing the laws that Congress has placed within the responsibility of the Department. I can assure this Committee that, if confirmed, I will enthusiastically and energetically carry out to the best of my abilities the duties of Solicitor.

I am pleased to have the opportunity to appear before the Members of this Committee today, and I will be happy to respond to any of your questions.

The CHAIRMAN. Senator Ford.

Senator FORD. Mr. Chairman, I was intrigued by Mr. Tarr's statement that he would prefer to work out a case, rather than go to court. It depends on if you win or lose before you take it to court, I imagine.

Give me a hypothetical case of what you mean about working something out prior to taking it to court. You say a lawsuit is not the best way. How do you work things out? That sounds like a deal to me, and I don't think you meant it that way.

Mr. TARR. Well, I don't mean that at all, Senator. As an attorney, my job is to get the best results I can for my client. There's no question about it. And there are times when what the other side is willing to agree to is simply not sufficient to reach a settlement that you would recommend to your client that he enter into.

But the period of time that it takes to conduct a lawsuit and the amount of effort that is generated in going through all the machinations of litigation are oftentimes counterproductive, and what my statement goes to is that I would very much expect to try to sit down with the various parties to a dispute, hopefully in advance of the time that a lawsuit is filed, and discuss with them what their various wishes are; what their positions are; what they seek; and see if there is not some area of understanding that can be reached so that we can avoid what has just been an enormous boom in litigation.

Senator FORD. One thing, particularly in surface mining cases, lawyers are paid fees, and that is a percentage. How would that stack up when you get into trying to work out something with a local lawyer based on a surface mining problem or mineral rights, or whatever that might be.

Mr. TARR. I'm not sure that I fully understand what the Senator is referring to. I must confess I am not particularly knowledgeable about how surface mining cases are handled by attorneys in private practice.

Senator FORD. Well, doesn't the Federal Government in those cases pay certain fees based on lawsuits presentations?

Mr. TARR. I'm sorry; I'm not familiar with the law in that area.

Senator FORD. Maybe I'm not being very clear, but what I'm trying to--and I think the chairman is an attorney, he might tell it—when they file these lawsuits, aren't the attorneys given a fee for filing or participating in a lawsuit?

The CHAIRMAN. They may be given a fee by a private party, but that would be a matter——

Senator FORD. The Federal Government pays the attorneys' fees is what I'm getting to, or what I've been trying to get to.

There was a $500,000 fee in a recent surface mining case.

Mr. TARR. I'm not familiar with that.

Senator FORD. You better get up to speed on it. Better get up to speed on it.

The CHAIRMAN. A judge can award costs, and under appropriate cases I assume a judge might award costs that would include attorneys' fees, but there's no general practice that I'm aware of.

Senator FORD. As part of the lawsuit settlement, fees to the attorneys. It's something that bothers some of us a little bit.

Mr. TARR. Well, my understanding on attorneys' fees versus the Federal Government is that private counsel are not entitled to them unless there is some statutory provision for them, and I would certainly want to become knowledgeable about any statutory provision there would be for the award of fees. And I'd be happy to do that.

Senator FORD. I'm not a lawyer, and I get that out front. My dad told me a little knowledge of the law is dangerous; get you a good lawyer and stay with him. So I try to follow that practice.

But now let me ask you this, since you prefer to settle cases out of court. Can Interior agree to a settlement that is not consistent with the applicable law?

Mr. TARR. Senator, I think I would be hard pressed to as Solicitor to recommend to my client that he agree to a settlement that I felt in my best professional judgment was not consistent with the law—as a general statement.

Now, I in any particular case would certainly have to look at what we meant by "it wasn't consistent with the law." But in my view——

Senator FORD. Sometimes two lawyers interpret the law different. Your interpretation of the law and his might be different as it applies.

Mr. TARR. Where there's a genuine dispute about what the law is, and the settlement is designed to reach a determination of that, that may be another matter. However, I'm quite concerned about executive branch agencies settling cases on terms that are beyond their authority, for example.

I think that we have seen some problems with that in the past, and I certainly would not be eager to have the Department do it.

Senator Ford. Mr. Tarr, I'm going to get to a personal feeling now. I have an intern program in my office where the political science classes of our two major universities select interns who work in my local office. And the local office will decide on which one is best, and that one will have a semester with me here in Washington.

Several of those have been stayed on and have been excellent. The No. 2 in the University of Kentucky graduating class law school is still here. One of the outstanding law students there is still up here. Some of those who were in governmental area of education are still here, and I'm pleased that they are.

I think it generates some interest and a different view of Government when they work a little bit. So that program, I am very sensitive about, and very pleased with it so far.

After a new Solicitor started, as I understand it, in the Department in 1981, several entry level attorneys employed as part of the Department's honors program were removed—or we could say fired. I understand that one of the repercussions of this action was to make top law students reluctant—and I underscore reluctant—to consider Interior as a place to work.

I further understand that many thought the action might have been politically motivated.

First, does the Solicitor's Office currently have an honors program, or do you know?

Mr. TARR. Senator, I do not know that. The Department of Justice, which I'm more familiar with, does hire recent law graduates in an honors program and that has been a very fertile source of quality legal talent.

Senator FORD. What do you think of the hiring and firing practices as it relates to the Solicitor's Office?

Mr. TARR. In general terms, I don't know how to answer the Senator's question. My understanding is there is a centralized system that is in place, consistent with the civil service requirements as far as hiring, and I certainly, if the Senator has some particular concern about that, would be more than happy to look at that, if confirmed, and to make any determination about its consistency with law and so forth.

Senator FORD. I would appreciate it if you would let me and the committee know.

Do you anticipate undertaking any major staffing changes at the Solicitor's Office?

Mr. TARR. Senator, in all due humility, I have not really faced those kinds of questions yet.

Senator FORD. Well, you're going to have to.

Mr. TARR. If confirmed, clearly personnel has to be one of the first items on anybody's agenda in a new position, and it will be on mine.

Senator FORD. I thought that would have already been on your agenda.

Mr. TARR. It will be very high up as soon as this committee and the Senate have confirmed me, hopefully. I will be looking at this question.

Senator FORD. Well, I don't think you have any doubts but what you're going to be approved. Maybe you've already looked at that.

Mr. TARR. I am generally familiar with the office structure, Senator, and nothing readily comes to mind as a major change in structure. I, of course, would want to go in and look very carefully at the office and make sure that it is something that is manageable and if there are some changes that would help with that, I would certainly want to consider them.

Senator FORD. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator Bingaman.

Senator BINGAMAN. Thank you, Mr. Chairman.

Let me just ask a couple of general questions if I could, Mr. Tarr.

To what extent do you see this new position you've been nominated for as a policymaking position?

Mr. TARR. That may well vary, depending on practice. Essentially as I see the position, it is to give my best professional legal judgment on the various issues that the Secretary requests assistance with or which I identify as Solicitor as legal problems to him.

And it would be my approach to the office to give him those judgments in a manner that does not to tend to foreclose his policy choices simply because someone in my office has made a determination that they don't like the policy, so they're going to see to it that it's not legal.

I think the role of the Solicitor is to advise the Secretary on his range of choices. Certainly the Solicitor operates in the context of a

policy environment so that that will often, I'm sure, dictate the agenda of items that are considered and may well also in some degree determine the kinds of things that we look at.

Senator BINGAMAN. To what extent did Secretary Hodel participate in your selection for the position?

Mr. TARR. I am not thoroughly knowledgeable on that, as to how precisely that was determined, but I did interview with Secretary Hodel and it's my understanding that it was his recommendation to the President that is responsible for my being here today.

Senator BINGAMAN. Let me ask about one area of litigation where there was a lot of attention to in my home State and where I guess you will be devoting a lot of time on in the next few years. That is the litigation over jurisidictional questions on Indian land and the extent to which States can exert their jurisdiction to impose State law on Indian land. Also, the extent to which Indian tribes and pueblos can tax and take action there.

That whole area is a very fertile field for litigation, has been for several years and promises to be indefinitely.

Do you think it's an appropriate thing for the courts to be deciding and for your office to be deciding, or do you think that this is really an area that Congress should take a more proactive role in trying to set some guidelines for what the jurisdictional decision should be?

Mr. TARR. I must say, Senator, in general terms I'm not in a position to respond to that question with my current level of knowledge. I am generally familiar that the issue you raise is particularly being played out in the Indian gambling area, if I may refer to it in that regard, and it's my understanding that there are some very difficult issues there that Congress may well be in a position to have to decide.

Senator BINGAMAN. OK. That's all I have, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Metzenbaum.

Senator METZENBAUM. Mr. Tarr, as I understand it, did you represent some of the people in the Westlands Water District while you were in private practice?

Mr. TARR. Yes, Senator; I did.

Senator METZENBAUM. Perhaps you've addressed yourself to this issue before I got here, but tell me the circumstances, who they were, and what involvement that might have vis a vis your own responsibilities in this position.

Mr. TARR. Senator, essentially my representation in the Westlands was of the California Westside Farmers, an association of landowners in the Westlands Water District, essentially put together in approximately 1976 or 1977 for the purpose of participating in the *National Land for People* v. *Andrus* suit, which the Senator probably recalls had to do with the question of whether or not the Department of the Interior was required to issue rules and regulations on reclamation projects.

That entity went out of existence, I believe, in about 1979 or so. My participation on their behalf was in that case through the appellate courts—I handled some of the appellate work through the circuit court here and at the Supreme Court.

The CHAIRMAN. Would the Senator yield for just a moment on that question?

My understanding of the Westside Farmers Group was it wasn't exclusively Westland's patrons; am I correct in that?

Mr. TARR. If we are—if we get into the question of whether they—there were some from the Westlands and some from the West Plains district, but essentially they were recipients on the west side of the reclamation project.

Senator METZENBAUM. And what's the status of that case at the moment?

Mr. TARR. That case, as far as I know, is now totally closed and over with. The issues of the regulations, I believe, although I'm not intimately familiar with the 1982 reform act, have essentially been dealt with by Congress.

There is one other lawsuit that I was involved with on behalf of an individual farmer in that area. That was a case entitled *Pilibos* v. *Andrus.* That case, as I understand it, is still pending some 6 years or 7 years later. It's an individual landowner who was concerned about the moratorium that was placed on him by the Secretary of the Interior at the time, pending a determination of these issues about issuing regulations, and he was concerned about his 10-year contract running while the moratorium was on.

And, Senator, if I might follow up—excuse me—on your original question, I would consider it something that I would not participate in as Solicitor in that particular case that is now pending.

Senator METZENBAUM. So the case is pending, and is there a proposed settlement now being talked about?

Mr. TARR. I am not familiar at all with the status of that case, Senator. I have not, since I've been with the Government, had anything to do with it and I would not feel it appropriate for me to do so.

Senator METZENBAUM. But if there—but you will recuse yourself as far as any involvement while you're at the Department?

Mr. TARR. In that case—in *Pilibos* v. *Andrus,* indeed. No question.

The CHAIRMAN. Would the Senator yield? I think there may be a little confusion here. There are two different cases to which you made reference. One was the Westside Farmers Group and the other was the individual case which is still pending.

I wouldn't want there to be any confusion as to the answer to the question.

Senator METZENBAUM. Is the first case, the one having to do with the west—what do you call it—Westside Farmers?

Mr. TARR. Right.

Senator METZENBAUM. The Westside Farmers. Is that case still pending?

Mr. TARR. No, Senator. That is not pending any longer.

Senator METZENBAUM. What happened to that case?

Mr. TARR. That case essentially was played out through the courts. The Secretary, as you know, issued rules and regulations to govern reclamation projects, and then whatever issues were still remaining with regard to that lawsuit were, as I understand it, handled in the 1982 reform act.

So that case is no longer an open case.

Senator METZENBAUM. But the individual case is still pending?

Mr. TARR. The individual case is still pending.

Senator METZENBAUM. Have you been involved in—at what point did you stop being involved in that case?

Mr. TARR. In the one that's still open?

Senator METZENBAUM. The individual case.

Mr. TARR. I think the last—well, the case was filed in, I believe, March 1978 and essentially the court stayed the action at some point, probably early 1979. And other than watching to see that nothing was going awry so that my professional responsibilities were not satisfied, I haven't had any active involvement in that case since about 1979.

I ceased all concern about it in 1982 when I left my law firm.

Senator METZENBAUM. You've been with the Justice Department how long?

Mr. TARR. Approximately 3½ years.

[Pause.]

Senator METZENBAUM. I have no further questions.

The CHAIRMAN. Thank you very much. There may be other questions to submit in writing. I would ask that each member of the committee who has such questions to submit have them to us by the close of business today so that we may get the responses to the record and be in a position then to act upon the nomination.

And I would hope you would get the answers to us quickly when they are submitted to you.

Mr. TARR. I will indeed, Senator.

The CHAIRMAN. Thank you very much, Mr. Tarr. Appreciate your testimony this morning.

Mr. TARR. Thank you.

The CHAIRMAN. The distinguished senior Senator from Virginia has expressed a desire to be here to introduce his constituent, Mr. Griles, before this committee this morning. But he's chairing a hearing before the Armed Services Committee and can't leave at this moment.

He does have a statement introducing Mr. Griles, and that statement will be made a part of the record at this point.

[The prepared statement of Senator Warner follows:]

STATEMENT OF HON. JOHN W. WARNER, A U.S. SENATOR FROM THE STATE OF VIRGINIA

Mr. Chairman, I am pleased to introduce to the Senate Energy Committee this morning J. Steven Griles, whom the President has nominated to be Assistant Secretary of Interior for Land and Minerals Management.

I have known Steve since 1979 when I began my service in the Senate.

He is an outstanding Virginian who brings to the position a wealth of experience in both State and Federal government.

After graduating from the University of Richmond, Steve began his career in Virginia's Department of Conservation and Economic Development where he supervised the successful implementation of 14 major State programs.

In 1981 with my strong support, Steve came to Washington where he served as Deputy Director of the Office of Surface Mining for two years.

In 1983 he was promoted to Deputy Assistant Secretary of Interior for Land and Minerals Management.

Steve has been Acting Assistant Secretary for Land and Minerals Management for the past year, the position for which he has been nominated by the President.

Steve has a large and wonderful family, many of whom are with him today.

I welcome to the Committee his wife Casey, daughter Kimberly, sons Timothy and Matthew, mother Elsie and brother Dwayne.

His daughter Megan who celebrated her first birthday last month is at home this morning.

Mr. Chairman, I strongly commend to the Committee the nomination of Steve Griles, a man of unquestioned integrity, superb judgment, and exceptional knowledge.

I know he will do a good job for the American people, and I urge the Committee to recommend his confirmation.

The CHAIRMAN. Mr. Griles, the rules of the committee that apply to all nominees require that they be sworn in connection with their testimony.

If you will please raise your right hand.

[Whereupon, J. Steven Griles was duly sworn by the chairman.]

The CHAIRMAN. Please be seated.

As you know, we ask each of the witnesses who appear before us for confirmation to answer four questions.

Will you be available to appear before this committee and other congressional committees to represent departmental positions and respond to issues of concern to the Congress?

Mr. GRILES. I will.

The CHAIRMAN. Mr. Griles, your informational statement has been submitted to the committee. However, it is required that this statement be made public unless the committee decides that special circumstances justify an exception.

Do you have any objection to the publication of your informational statement?

Mr. GRILES. I do not.

The CHAIRMAN. Are you aware of any personal holdings, investments or interests that could constitute a conflict of interest or create the appearance of such a conflict, should you be confirmed and assume the office to which you have been nominated by the President?

Mr. GRILES. I'm not aware of any.

The CHAIRMAN. Are you involved in or do you have any assets held in blind trusts?

Mr. GRILES. I do not.

The CHAIRMAN. Before asking you to proceed with your statement, I would like to recognize the fact that you have family here. You might like to introduce those members of your family who are present this morning, Mr. Griles.

Mr. GRILES. Thank you, Senator. I have, first, my wife on the end; and my son Matthew; my son Timothy; daughter Kimberly; my mother; and my brother Duane.

The CHAIRMAN. It looks to me like you're adequately supported this morning.

Mr. GRILES. Well, we left one at home. In case we need any reserves, we'll call her in.

The CHAIRMAN. Mr. Griles, you may proceed with your statement at this point.

STATEMENT OF J. STEVEN GRILES, NOMINEE TO BE ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR

Mr. GRILES. Mr. Chairman, it is indeed an honor to be with you and the other members this morning to appear today as the President's nominee for the Assistant Secretary of the Interior for Land and Minerals Management.

As you may be aware, this Assistant Secretary's office is responsible for the oversight responsibilities of the Bureau of Land Management, Minerals Management Service, and the Office of Surface Mining.

Mr. Chairman, I'm not going to read my entire statement. I'd like to submit it for the record, but there are a couple of things——

The CHAIRMAN. It will be placed in the record.

Mr. GRILES. Thank you.

There are a couple of things I would like to highlight for you. One is that I am committed to listening to all the concerns of the various affected groups at the Assistant Secretary's office and the Bureaus that I have responsibility for, and to seek advice from the experts, and then to balance those factors in making recommendations and reaching decisions which will result in, I believe, workable and hopefully long-lasting solutions to the many resource management problems that we do face.

I've had the opportunity, Senator, to work with this committee on a number of occasions in the recent past. I've learned a great deal about the specific programs of the Department, but as I say, most importantly, I've learned the value of listening before making recommendations and reaching decisions that protect and further the interests of the public.

Senator, listening to all viewpoints helps assure that I receive the best possible advice and increases the prospects for finding workable solutions. Consensus is important in creating long-term stability, and consensus in the Interior programs.

I realize that consensus doesn't mean that all groups and all individuals will agree on all points, but it is a goal we must constantly seek to achieve.

Secretary Hodel has defined my mission as one of seeking to find common ground in order to resolve conflicts so that we can more effectively implement the programs authorized by Congress.

In my statement, Mr. Chairman, I lay out some of the goals the President gave the Secretary when he was nominated to be the Secretary of the Interior in February.

I also have worked with the Secretary and discussed with him some of the objectives that he has asked me to implement in achieving those goals. And that is to protect the natural, cultural, historic, and wilderness resources, to pursue conservation—and by that I mean the wise use of Federal energy and minerals and renewable resources found on our public lands under the principles of multiple use and sustained yield; and to increase the public's awareness of the public lands and increase the public's role in the contribution they make in protecting their public resources.

There are several other objectives I've listed, Mr. Chairman, in my statement, but in closing I think I'd like to restate how strongly

I believe the need to listen to all points of view and to receive the best possible advice if we are to find those workable, long-term solutions that I think you and others of the committee seek.

Consensus is a primary goal that we must strive to achieve.

Mr. Chairman, my entire professional career has been dedicated to public service. The opportunity to be here and to serve, if confirmed, as Assistant Secretary for Land and Minerals Management, is exciting. And, if confirmed, I look forward to working closely with Congress, the members of this committee and the public to carry out those programs that have been established by Congress to further the public interest.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Griles follows:]

J. STEVEN GRILES
STATEMENT BEFORE THE SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES

December 4, 1985

Mr. Chairman and Members of the Committee: My name is Steve Griles, and I am honored to appear before you today as President Reagan's nominee for the position of Assistant Secretary of the Interior for Land and Minerals Management.

As you may be aware, the Office of the Assistant Secretary for Land and Minerals Management has oversight responsibility for the Bureau of Land Management, the Minerals Management Service, and the Office of Surface Mining Reclamation and Enforcement. The programs of these Bureaus are extremely important to the Nation and some of the most challenging in the Department of the Interior. The position of Assistant Secretary for Land and Minerals Management requires a strong management background and the commitment to listen to the concerns of the various affected groups, and the advice of experts, and then to balance those factors in making recommendations and reaching decisions which result in workable long-lasting solutions to the many resource management issues that face us today.

Currently, I serve as the Deputy Assistant Secretary for Land and Minerals Management with primary responsibility for the Department's onshore and offshore energy and minerals programs. In this capacity, as well as with my previous position in the Department of the Interior and prior to that with the Virginia Department of Conservation and Economic Development, I have come to appreciate fully that decisions relating to the Nation's lands and minerals management issues are complex. There are no easy answers. Since serving at the Department of the Interior I have had the opportunity to work with this Committee on many of these difficult issues as well as with numerous constituent groups, government officials at various levels, and the public. I have learned a great deal about specific programs, but most importantly I have learned the value of listening before making recommendations and reaching decisions that protect and further the interest of the public.

Listening to all points of view helps assure that I receive the best possible advice and increases the prospects for finding workable solutions. Public involvement is crucial for developing consensus. Consensus is important to creating long-term stability and consistency in Interior Department programs. I recognize that consensus does not mean all groups or individuals will agree on all points, but it is a goal we must constantly strive to achieve. Secretary Hodel has defined my mission as one of seeking to find common ground in order to resolve conflicts so that we can more effectively implement the programs authorized by Congress.

If confirmed, I will strive to implement, within the area of responsibilities of the Assistant Secretary for Land and Minerals Management, goals established by the President for the Department of the Interior. These goals include:

- To conserve the Nation's national parks, wilderness, and wildlife resources.

- To enhance America's ability to meet our energy and mineral needs with domestic resources.

- To increase the supply of quality water.
- To improve the Federal Government's relationship with State and local governments.
- To develop the economic and social resources of American Indians, Alaska Natives, and the people of the U.S. Territories.

I am committed to these goals and, based on discussions with Secretary Hodel, have identified several principles which are designed to guide my future actions and decisions. These are:

- Implementing statutory mandates to assure Congressional intent is met.
- Exercising wise stewardship under the concept of multiple-use and sustained yield.
- Seeking views of States, affected interest groups, and the Congress in formulating policy and in decisionmaking.
- Involving the States more and seeking to have them assume a greater partnership responsibility in designing and administering programs that affect them.

These principles will be applied in pursuing several fundamental objectives which Secretary Hodel asked me to develop for the programs under the Assistant Secretary for Land and Minerals Management.

These objectives are:

- To protect the natural, cultural, historic, and wilderness resources while providing opportunities for recreational and educational uses.
- To pursue the conservation of Federal energy and mineral resources and renewable resources found on the public lands under the principles of multiple use and in an environmentally safe manner.
- To increase public awareness of the public lands and increase the public's role and the contribution they make to protecting <u>their</u> public resources.
- To pursue timely restoration of unreclaimed lands to the full extent authorized by law, and if not restored, to vigorously utilize the authorities available to the Secretary to have such lands restored.
- To maintain constant vigilence in carrying out our fiduciary responsibilities to collect, account, and disburse public land revenues.
- To focus on the sensitive constituency issues that affect Alaska Native and State selections.
- To increase the productivity and morale of our work force, and to find better and more efficient ways to accomplish our jobs.

In closing, Mr. Chairman, I wish again to restate how strongly I believe in the need to listen to all points of view and to receive the best possible advice if we are to find workable solutions to the complex issues that face the Department today. Public involvement is crucial in that process. Consensus is one of my primary goals and I will direct my efforts to that end.

Mr. Chairman, my entire professional career has been dedicated to public service. The opportunity to serve as the Assistant Secretary for Land and Minerals Management is exciting and, if confirmed, I look forward to working closely with you, Congress, and the public to develop and carry out the programs established by Congress in furthering the public interest.

The CHAIRMAN. Thank you.

Senator Ford.

Senator FORD. Mr. Chairman, I'm going to yield for the time being.

The CHAIRMAN. All right.

Senator Nickles.

Senator NICKLES. Thank you, Mr. Chairman.

Mr. Griles, welcome to the committee. I'm sure you'll be before us many times again.

A couple of questions, more parochial in nature than anything else. As I'm sure you are probably aware, the OSM has basically taken over management of reclamation in the State of Oklahoma and I also believe—what, the State of Tennessee?

Mr. GRILES. That's correct.

Senator NICKLES. The State of Oklahoma—and I concur with this—has very much desired to regain control of management over the coal mines.

Can you bring me up to date on what the progress is and hopefully to where the State would be regaining control in management supervision of the mines?

Mr. GRILES. Senator, my understanding of where the State of Oklahoma and OSM are is that OSM has made first steps to return primacy to the State of Oklahoma on a phased basis. Working on a case-by-case basis, it is the Acting Director of OSM's position, as I understand it, to try to assure that the State has the appropriate personnel, technical expertise, and the ability to assume that responsibility that Congress, when it passed the Surface Mining Act of 1977, intended to be implemented.

And it's my hope that over the next year, that that will come to fruition and the State will have the fullest authority to administer the Surface Mining Act, and OSM will assume an oversight role of assuring that the State is implementing that Act as Congress intended.

Senator NICKLES. That oversight role, then, would be the same that you exercise over all States?

Mr. GRILES. That's correct, sir.

Senator NICKLES. Do you have a timetable when that might be able to take place?

Mr. GRILES. Senator, I do not have a timetable. I think the Acting Director of OSM and the State have worked out a tentative timetable among themselves as to how they think they can move forward: But as I understand it, there's going to be a step-by-step approach as they move forward, to be assured that in fact all parties agree that the right personnel—the right technical expertise—there to assure the State can implement that act.

Senator NICKLES. Could you supply our office with possibly a timetable or what they've agreed to? I'd like to expedite that procedure and at least would like to be brought up to date on where it stands.

We've had some hearings, incidentally, on this issue in the State of Oklahoma. And maybe I'll ask you another question on that line, and this wouldn't apply just to Oklahoma, but to all. And that would be as far as enforcement concern, we had a lot of complaints from a lot of—almost all of our operators—that a lot of enforce-

ment that OSM was making, much of it was misdirected and they said much of it was more directed toward harassment than it was enforcement; that is, some very, very punitive fines in the several thousands of dollars for incidents that were very trivial—a sign needed to be moved 100 yards or needed to be elevated or needed whatever, and we're looking at fines of up to $22,000 or something.

Again, I happen to be a strong believer in reclamation, but I would also like some common sense and some working cooperation, I guess, with individuals involved to make sure that our efforts are toward reclamation and not toward trying to sock it to various operators.

Would you care to comment on that?

Mr. GRILES. Senator, the concerns you've expressed have in the past been expressed by others. In the past, when OSM OS did have direct responsibility for enforcement. It was overzealous in that approach.

I believe, Senator, that the inspectors OSM has today understand that they should enforce the law; that the regulations that caused the penalties to be of the nature you're speaking of—$22,500—are based, in fact, to some degree in law. I believe the law says that $750 a day, up to 30 days, and if you multiply that, it comes out $22,500.

So the law mandates that when an operator doesn't comply with an order and then he's issued a cessation order, that is an automatic penalty, and it can increase to $22,500 in 30 days.

Now, there are other penalties that OSM has in its rules. And the Secretary identified OSM as one of the two primary concerns he had when he assumed his office in February. And in order to address some of those concerns, some which you've expressed today, he asked the counsel to the Secretary, Mr. Earl Gjelde, to move forward with a management plan to look at all the issues—penalties, the relationship with the States, the relationship with environmental groups—and try to find a way to allow OSM to be less confrontational but more successful in assuring the objectives of the act are met.

Last week that management action plan came out. And in it, one of the comments was that OSM will look at what are the appropriate fines for certain types of violations.

Senator, I could not agree with you more. A sign that's improperly marked or improperly placed does not appear to me to warrant a $22,500 fine; but on the other hand, Senator, an operator who's out there mining illegally, without a permit, and affecting the environment, should be fined. He should not be mining coal, and it's our hope that we won't let him mine coal.

So there are two extremes, and the same principles need not apply to the same extremes on those. So we need to be sure we have a balanced approach.

Senator NICKLES. I would encourage you to use a common sense approach. Again, I'll just relate another incident where we had operators that would come up and state that one investigator would basically be signing off. Another one might come out a week later, and a rain just came, and all of a sudden this is not in compliance, and here starts the whole litigation process—and very confrontational; not in a cooperative manner in many cases, where what can

we do to make sure that this is in compliance, but in many cases very confrontational. And that's not to anybody's—certainly not in the environment's best interests.

Another parochial question that would be under your domain, I believe as well, and that deals with mineral management, particularly the payment of royalties particularly to Indian tribes and individuals.

We've had an enormous backlog, confusion, delay, inaccuracies, many times underpayments of substantial amounts, possibly the other way. I don't hear about those.

I know that some efforts have been made, but I would have to say that most people that we've discussed it with have said that they've been inadequate or they haven't been successful enough, or they haven't been prompt enough, and that there's still a substantial amount of work to be done as far as processing and cleaning up some of the mistakes that have been made.

Are you aware of that problem? Are you willing to invest a little time and energy in trying to see that we couldn't do a better job as far as fiscal management of these royalties?

Mr. GRILES. Absolutely, Senator. We will do that. I talked to the Assistant Secretary designee for Indian Affairs after you and I discussed this issue. He and I both admit that this is a top priority of ours to address that issue.

Senator NICKLES. Is that Mr. Swaymer?

Mr. GRILES. Yes, that's correct. And he and I both will make that a top priority to continue to move forward, because there has been progress there.

Senator NICKLES. I appreciate that. I'm not sure there's been that type of cooperation necessarily in the past with some of the various divisions, and I look forward to working with you on that as well.

Thank you very much.

The CHAIRMAN. Senator Metzenbaum.

Senator METZENBAUM. Mr. Griles, there is considerable evidence that under your stewardship, the Office of Surface Mining carried out a campaign to gut the Federal strip mine laws. That actually might make you pretty popular with some members of the committee, but not with this Senator.

Eighteen months after you arrived, nearly 50 percent of OSM's experienced personnel were fired, resigned, retired, or transferred. Major environmental and enforcement regulations were rewritten, thrown out by Federal courts as totally at odds with the law. And finally, the Office of Surface Mining has made no effort to collect nearly $200 million in fines.

I guess my basic question is, why do you want this job? You don't seem to believe in the law; you're not enforcing the law; you reorganized the Department; half the people have left.

Why don't you go do something else instead of accepting a governmental responsibility to do something you obviously don't believe in?

Mr. GRILES. Senator, if I believed all that I read in the newspapers about some of the facts——

Senator METZENBAUM. This isn't from the newspapers. I haven't quoted a newspaper yet.

Mr. GRILES [continuing]. Some of the facts about what OSM has done. My commitment, Senator, if confirmed, is to assure that the Surface Mining Act is enforced and that OSM is moving forward with the computerization which started in 1982 of those past violations, fines and is still moving forward. Most of those violations occurred in 1977, 1978, 1979, and 1980.

Senator METZENBAUM. Well, Mr. Griles, you talk about the newspapers, but let me talk about the House Government Operations Committee. They had a bipartisan report, not just the majority—bipartisan. It was issued without dissent and there were no minority views.

And I must say to you, in the years I've been in the Senate, I don't think I've ever read anything that comes through as strongly as does that report.

It's rather interesting to me that you immediately pop—some people in Government are so apt to do—lay it onto the newspapers or those reporters or the TV people. I haven't said a word about newspapers.

But the bipartisan report could not have had stronger language:

> The Department has failed in carrying out its responsibilities for assessing and collecting civil penalties and for implementing other enforcement provisions of the law. Office of Surface Mining has failed to establish itself as a credible regulatory agency. The continuum of inactivity at the OSM evidences an agency either hesitant or simply unable to carry out its regulatory responsibility.

The report concludes with an unbelievable kind of suggestion. I don't know when I've seen this kind of an extraordinary suggestion made by a congressional committee, which says that if there is no improvement in 6 to 9 months, Congress should consider transferring administration of the program from the Department of the Interior to another appropriate regulatory agency.

Now, that's an extraordinary indictment of a program which more than any single individual, you managed. That's the reason I say, why do you want this job?

That conclusion raises serious questions, frankly, as to your commitment to the law, and if it isn't a lack of commitment then it raises a question about your qualifications for the position to which you've been nominated. What reason is there for any of us to believe that in your new position you won't continue to subvert or otherwise distort the law, both as it pertains to surface mining and to other issues under your jurisdiction?

Tell us something that would give us some reason to say this is the man who is going to do the job. We write the laws, but you people who have the regulatory responsibility to follow through in implementing the laws, if you don't do your job—and this House committee bipartisan report, no dissent, could not have used more condemnatory language. And it's interesting to me that for that kind of inactivity, for failure to perform your responsibilities, this administration sees fit to promote you.

No wonder there have been so many newspaper stories of indictments and other things—and I don't mean to suggest in any way any criminal activity on your part. I am not suggesting that. But I am suggesting a total lack of commitment to the program and a total blank as to any reason why you should be holding this position.

Would you care to respond?

Mr. GRILES. I think I should count to 10 for a second.

Senator, in the last 2½ years I have not had managerial responsibility for the Office of Surface Mining.

Second, that responsibility is important. I believe that the law is a necessary law; it is an important law; and if I am confirmed, I will assure you that that law will be effectively enforced.

There are a number of issues that OSM needs to get ahead of the power curve on. The Secretary, when he was confirmed, identified OSM, as I previously stated, as one of the two top issues within the Department of the Interior. Since that time, OSM has had the personal attention of the Secretary. He has spent a number of hours reviewing policies and procedures which resulted last week in the submittal of a draft management action plan to a number of interested parties. That plan will address many of the concerns that have been identified by the House Government Operations Committee, by this committee, by individual Members of Congress, as well as outside groups.

If I am confirmed, I will assure that those policies, once the Secretary makes his final decisions, are implemented.

You asked why I should be confirmed for the job. I know the act, I am dedicated to making the act work. I've taken an oath that if I am confirmed I will do that.

Second, I bring management abilities to make it happen, and we will assure that the problems of the past, Senator, will be addressed in an effective manner.

Senator METZENBAUM. Well, I appreciate your statement, but you led off by saying that you did not have the direct responsibility.

Let me read you what you have stated to us in your report that Presidential nominees submit. From 1983 to the present, you had direct responsibility for programs associated with land use planning, public land management, including onshore and offshore minerals management; development and management of effective fuel-related mineral data collection analysis; operations management for minerals on the Outer Continental Shelf to the outer limits of the U.S. economic jurisdiction; management of revenues from Federal mineral leases; also serve as an adviser to the Secretary in the Secretary's role as Chairman of the Cabinet Council on Natural Resources in the Environment; oversee secretarial direction and supervision of the Bureau of Land Management, the Minerals Management Service, and the Office of Surface Mining and Reclamation.

Prior to that, from June 1981 to September 1983, you were the Deputy Director of the Office of Surface Mining. You were the principal adviser to the director. You managed the Surface Coal Mining and Reclamation Act that controls all coal mining to assure environmental protection and proper reclamation of lands disturbed. You pride yourself on revising the regulations to remove inflexible design criteria and replace with enforceable performance standards. You go on.

But certainly you didn't say that you didn't have responsibility. I could read more of that which you've done. I think that it does come right to your doorstep. Mr. Griles, for you to say that you

didn't have direct responsibility, I have difficulty in comprehending how you could make that as your lead response.

If you would care to respond to that.

Mr. GRILES. Senator, what I stated, I think, was that since I was named the Deputy Assistant Secretary in the summer of 1983, I from that time forward had no responsibility for the Office of Surface Mining.

The Assistant Secretary's office did. There were two Deputy Assistant Secretaries. That other Deputy Assistant Secretary had responsibility for the Office of Surface Mining. I was not involved, did not participate in day-to-day decisionmaking or policies of that office from that point forward. Last——

Senator METZENBAUM. But you say here——

Mr. GRILES. May I finish?

Senator METZENBAUM. Oh, I'm sorry. I didn't mean to interrupt you.

Mr. GRILES. Last year, in December, when the Assistant Secretary left, from December until Secretary Hodel came aboard, I did get and was involved in some decisions with the Office of Surface Mining.

When the Secretary came on board, he and I agreed that OSM was a major management problem for Interior and that we needed to restore credibility to the agency. I asked an individual by the name of Jim Cason, who worked for the Bureau of Land Management, to spend as much time as he could to help resolve the management problems of the agency in terms of setting up a computer system to assure the collection of those old fines.

The Secretary asked his counsel, Mr. Gjelde, to take a direct-line responsibility course for OSM, to assure that we did have the best management team to address OSM problems and restore credibility to the agency.

That occurred and has been ongoing. I believe, Senator, the Draft Management Action plan that is out for review and will come out again in draft for review in January will go a long way toward addressing the many management problems that OSM is confronted with today.

Senator METZENBAUM. What you're saying is that you're going to resolve and clean up some problems that have been created previously. But the facts indicate that the problems that have been created were at your very doorstep. And when you were in the—when you were Deputy Director of the Office of Surface Mining, you specifically mentioned that you managed the Surface Coal Mining and Reclamation Act that controls all coal mining to ensure environmental protection and proper reclamation of the lands disturbed.

You told us that that was when you were Deputy Director. In your more recent position, you told us that you oversee the secretarial direction and supervision of the Office of Surface Mining and Reclamation.

And in the Brooks Committee report, they say the following:

> Reorganization of the Office of Surface Mining in 1981 seriously undermined the Department's ability to process civil penalty collection cases. Congress provided that surface mining activities would eventually be regulated by the coal producing States. Until the States assume primary responsibility for carrying out the Surface Mining Act, OSM was responsible for implementing an interim program in the

States and was originally organized to accommodate the interim program. The pending shift in responsibilty to the States necessitated a reevaluation of OSM's organizational structure.

On May 20, 1981, then Interior Secretary Watt formally approved the plan for reorganization of OSM, a plan developed and implemented under the direction of then Director, Mr. James R. Harris, and Deputy Director, Mr. Steven Griles.

Now you're saying there are problems that have been created by reason of the reorganization, and you're coming in to do something about it.

Now, you had those responsibilities. First of all, the question is, you created the problems. I mean that's what the Brooks Report says. Now you're saying to us, you're going to see to it that those problems that were created by others are going to be cleared up.

I'm asking you, can you give us a scintilla of evidence, just any kind of evidence, that you, Steven Griles, have done anything to provide effective direction, effective operation of the Office of Surface Mining. If you believed in the law, the question is why did you undertake a major reorganization which resulted in the loss of your most experienced personnel, leaving the agency understaffed and demoralized and, according to the Department's own management review, unable to carry out its statutory responsibility?

Mr. GRILES. Can I answer that, Senator?

Senator METZENBAUM. Please do.

Mr. GRILES. I'm really glad we had a chance to put that on the record because in 1981, when I came to the Office of Surface Mining, I was presented with a reorganization plan that was prepared by the previous Director of the Office of Surface Mining in 1980.

Along with that reorganization plan, Senator, was a proposal of how the Office of Surface Mining would be staffed when the States were given primary responsibility for enforcing the Surface Mining Act.

The numbers that were in the OSM reorganization that went into effect in 1981, 1982, and some in 1983—because it was phased—are the same numbers that were in the 1980 proposal of the Office of Surface Mining. The number, 69, was the 1980 previous administration figures for inspectors that was used. It was based upon a statistical sampling technique that was contained in the agency's budget to be implemented.

By the agency was going to assure sampling in States' enforcement programs, the states were in fact carrying out the law. That's what that reorganization was based on, Senator.

Now, as to my doorstep and those problems, Senator, when I came to that agency I found an agency that was totally disorganized in terms of its organization. It did not even have computerized files on violations. We found them in paper bags, in boxes, in basements. It took almost 2½ years to even identify all the violations that had been issued from 1977 to 1980.

It took us until—to even get those on a computer. So I understand your concerns, Senator. I had them also. And we tried our best to get a handle on those problems. They haven't gone away, and they're not going to go away tomorrow morning, but they will go away through diligent efforts. And that's my commitment, Senator; to move forward, to identify those problems that you and

others have identified, and try to resolve them, in a consensus approach, working with all the affected groups, including the environmentalists and the States who the law says should have primary responsibility.

If I am confirmed, that is my commitment—to make the law work and to remove those management issues of the past.

Senator METZENBAUM. Well, you've been in for 4½ years. You've been a player. Now, it's an interesting thing. Earlier you said that you're going to be there to undo some of the problems created by the reorganization.

Mr. GRILES. I don't think I said that, Senator, but——

Senator METZENBAUM. Well, I don't mean to misquote you, but that was my understanding.

What did you say you were going to do about all the problems created by the reorganization?

Mr. GRILES. I don't think, Senator, that the problems that I have heard you speak of today, that is, the violations that were issued and the penalty collections are going to be ever resolved except simply by putting together the strongest management team that has computer knowledge, that has management experience, and make it work and get those done. And we're doing that. We've been doing that for the last year, Senator.

Senator METZENBAUM. Give me some evidence of some achievement. Four and a half years you've been in the ballgame. Four and a half years. You first were the Assistant Director for Inspection and Enforcement. You then were the Deputy Director, Office of Surface Mining. And then you are Deputy Assistant Secretary, Land and Minerals Management.

Now, you were really at a very high level, because you were an adviser to the Secretary in the Secretary's role as Chairman of the Cabinet Council on Natural Resources and the Environment. You could hardly have been in a more powerful position unless you had been the number one man.

And you keep saying, we're going to be doing it. And my question is, give me some evidence, that scintilla of evidence that I talked about a minute ago, that indicates that you, Mr. Griles, have done something affirmative. The record of enforcement is an abomination. The record of fines collected is an abomination; of permits revoked is a nothing.

The report to Justice Parker—I was trying to find this in the report that staff pointed out, the Parker Report where they talked about——

[Pause.]

Senator METZENBAUM. Tell me what you've done. Give me that scintilla of evidence I'm looking for that you've done something affirmative.

Mr. GRILES. Senator, I think that one of the concerns that I have had, and I think that many have had, is the way that the 2-acre exemption has been used in the past. In 1977, the 2-acre exemption was put into law by Congress. In 1978 when the original regulations were written, they recognized the 2-acre exemption.

Many, many operators in a number of States used that two-acre exemption. And it was abused. In 1981, we proposed regulations, Senator, that would eliminate that abuse, that went a long ways to

assuring that only legitimate mom and pop, pick-and-shovel type operators could use that type of operation, because many large corporations were saying we'll mine here and we'll mine there.

Those regulations, Senator, were a direct result of efforts to prevent the abuse that was ongoing.

In 1984, when I did not, and was not directly involved in the Office of Surface Mining activities, I was approached by several environmental groups and by the industry to see if we could find a way to resolve this controversy. I interceded with the Secretary and said, Mr. Secretary, this 2-acre exemption needs to be resolved.

The Secretary agreed to a settlement. The litigation was ongoing. Also, you referred to the case, I think, the *Parker* case, the Parker Gasch Order, plus a 2-acre settlement that was entered into that's gone a long ways, Senator, to addressing problems that started in 1977 and we believe today are much more under control than they ever were.

But the 2-acre exemption is in law, and we're trying to assure that it's not abused. That's the best example that I can give you of my association with that kind of opportunity.

My commitment, Senator, is to try to find consensus with all groups in that program. It is a complicated program. It went through 15 years of legislative history, two vetoes, and there wasn't unanimity. There isn't today, but we need to find common ground to move forward, so that in 1987, Senator, when this law has its tenth anniversary, it will be one of success and not one of failure.

Senator METZENBAUM. Let me ask you, was there a lawsuit filed against the Department in connection with the 2-acre exemption?

Mr. GRILES. As I recall the case, Senator, it was in 1980 that it was filed, and it was a case——

Senator METZENBAUM. I guess what I'm asking you, was that action a predicate which caused you to react and to do something about the enforcement of the 2-acre exemption law?

Mr. GRILES. The predicate, Senator, was that I was asked to help resolve that issue. There was some litigation. It was an avenue to bring some final closure, in my opinion, to a long, controversial and complex issue.

And yes, we did choose to try to bring stability to that issue through settlement of some litigation.

Senator Metzenbaum: Let me read to you from an October 1985 Report on the Surface Mining Project, Public Lands and Energy Division of the National Wildlife Federation, a very recent report.

You indicate how well you've done on it. Page 30:

> The abuse of the two-acre exemption remains one of the major problems confronting OSM today. While the regulation governing abuse of this provision is sound, and if applied in the field would provide an effective deterrent, there is insufficient manpower at the State and Federal levels to enforce it properly. This is true especially because inspection of mine sites is labor-intensive, given the number and complexity of subterfuges employed by the operators.

Now, that's the 2-acre exemption matter that you talk about in responding to my question about some evidence.

Mr. GRILES. Can I——

Senator METZENBAUM. Go ahead.

Mr. GRILES. Let me just say, Senator, that the National Wildlife Federation report, I think, does make a good point. That is, that

those regulations they talk about that will result and prevent that abuse were done, and I helped write those, and that is why they say that.

There are and were continuing concerns, and specifically in one or two States. And in that State, I sat down with the Governor myself last May and asked the Governor to please help us prevent continuing use and abuse of that 2-acre exemption. That was in the State of Kentucky.

We moved forward, and I believe today, my understanding and I asked——

Senator FORD. I'm getting some side comment up here, and I'll be glad to respond to the side comment.

Senator Metzenbaum. I didn't say anything until you said Kentucky, and all I said was, "Oh, Kentucky."

Senator FORD. Well, I got the comment before. So let me just say in his defense that this Administration didn't force the 2-acre permit on Kentucky. The previous administration did. Walter Heine came down to Kentucky, testified before our committee, and said we couldn't get primacy unless we had the 2-acre exemption in the law.

Today we have almost 2,000 2-acre exemptions in Kentucky. Now, it's not this fellow's fault that it happened. We didn't want it, as I understand it. When I say "we," the Kentucky legislature didn't. And I think that the Governor has attempted to increase the number of employees——

Mr. GRILES. That's correct.

Senator FORD [continuing]. They have more inspectors, to meet a goal, so they can get out and comply with the law.

Now, I don't want to defend you completely as to all these things that Senator Metzenbaum is bringing up, but I do want to make it very, very clear that it was not this administration's fault. It was the Congress.

But nothing prevents the State, in my opinion, to have a more stringent law, more stringent regulations than we have in Federal law. And when we want to do that, the administration previously, the Director of OSM came to Kentucky, testified, and said we couldn't get primacy unless that was in Kentucky law, and Kentucky put it in the law.

Now we have the problem everybody's fussing about. So I wanted to make that point clear, how it got started.

Senator METZENBAUM. Appropos your effectiveness in positions you've held, I've looked over the Brooks report a little more. One part reads:

> In March 1983, the Department reported to Judge Parker that it had begun a system of notification to the States of unabated violation and would take prompt action to ensure that "the permit is denied or, if already issued, promptly revoked" whenever any State failed to take appropriate action. Yet, by April 1984, the Department reported that the States had denied only 25 permanent program permits. No permits had been revoked. This record is not surprising in light of the apparent difficulties the Department has had in developing a workable system to identify permits that should be denied or revoked.

Then at another point:

> The December 1982 Parker order required that the Department of the Interior pursue immediately and diligently all enforcement action, including injunctions, individual civil penalties, criminal actions, permit denials and the suspension and rev-

ocation of permits required to reduce and eliminate the backlog of pending cases. The order directed the defendants to allocate and commit sufficient personnel and resources to eliminate the backlog. However, the order was not adequately complied with. By mid-June 1984, the Office of Surface Mining had completed its review of only about 150 of the 1,700 cessation orders covered by the review.

How do you respond to this continuum of failure to adequately enforce the 2-acre limit until there's some pressure brought upon you; even then, the National Wildlife Federation saying it isn't working; the whole question of permits; the whole question of the violations? How do you explain all of this in 4½ years of leadership, and then come before us for a promotion?

Mr. GRILES. Senator, I think you made a point about the date of the system, the working system. And as I stated to you when you asked one of your original questions, that is when I took that responsibility, I asked Mr. Cason to please take that job and design a system that would work, a complicated computerization to check permits that are issued by a State against corporate ownership, partnerships, and all kinds of other entities which are cross-ownerships and things of that nature.

I am happy to say, Senator, that we are in the process and we have done that. That whole program is underway. We've got a computer contract let. Design of it is occurring. And in the next year, we will have had that system in place. That system will result in assuring that anyone who is a violator of the Surface Mining Act, by the standards of that act, will not be allowed to get a permit to mine coal.

That's what the system is going to do. It is being designed today. My understanding of it is that it will be in place in the next 12 months. And that program will, I believe, go a long ways toward addressing some of these concerns.

Senator METZENBAUM. Mr. Griles, you tell us what's going to happen a year from now. You've been there 4½ years. One of the keys to effective enforcement is levying and collecting fines from violators.

According to the House report, there has been a virtual breakdown in the civil penalty collection system which will result in most of the $150 million to $200 million in civil penalties already owed for violation going uncollected. So as a result of your lax attitude, hundreds of operators have and will probably continue to violate the law with impunity, knowing that you will look the other way.

How much have you collected out of this $150 to $200 million in penalties?

Mr. GRILES. Senator, I don't have that information.

Senator METZENBAUM. Isn't it about $7 million?

Mr. GRILES. Senator, I don't have that information.

Senator METZENBAUM. Well, will you supply that information to the committee?

Mr. GRILES. Yes, sir; I will.

Senator METZENBAUM. How many operators with permits have violated the law to your knowledge?

Mr. GRILES. I don't know the number of violations that have been issued by the Surface—maybe I didn't hear your question.

Senator METZENBAUM. How many operators with permits have violated the law?

Mr. GRILES. Senator, I don't know how many operators have been issued—are you asking me—an existing coal company, say in your State, that has been issued a violation by the State? I don't know how many violations have been issued.

Senator METZENBAUM. You have no record of that at all?

Mr. GRILES. I don't. I would say that, based on the Surface Mining Act, and the things that could happen in a surface mine job, many—probably all operators at some point will find that they have some violation. A sign blew down when it was supposed to be standing up. That's a violation.

So I can't answer that question, Senator.

Senator METZENBAUM. Isn't there something in the law about your being permitted to issue the State pending notices when the States are not efficiently or effectively enforcing the law?

Mr. GRILES. That's correct, Senator.

Senator METZENBAUM. How does that work?

Mr. GRILES. The law, as I understand it, Senator, is that when a State has primary authority for enforcing the Act, like the State of Ohio, that if OSM in doing its oversight determines that in its opinion, that there is a violation at a surface mine that the State has not issued a notice for, OSM gives a notice to the State. It's called a Ten-Day Notice.

Senator METZENBAUM. Have you given any?

Mr. GRILES. Yes, sir.

Senator METZENBAUM. What's happened as a consequence?

Mr. GRILES. Many have resulted in violations being issued by the State after consultation with the OSM authority. Many have been found to be a misunderstanding on behalf of two inspectors as to what a violation was and what it wasn't. Some have resulted in disputes and some have resulted in resolution. The numbers I don't know, but a number of things could occur.

Senator METZENBAUM. Does the Office of Surface Mining have authority under the law to revoke permits, or can only the State do that?

Mr. GRILES. In terms of a State permit that's been issued?

Senator METZENBAUM. Well, yes. Any permits to surface mining.

Mr. GRILES. It's my understanding that the State has the authority to revoke its permit.

Senator METZENBAUM. Does the Federal Government have any authority at all to revoke the permit or to cause a permit to be revoked?

Mr. GRILES. The OSM can move in such a manner that it can take—as I understand it, Senator—and I'm not a lawyer so I'll state this, and if I'm wrong, could I change it for the record for you? It's my understanding that OSM, under the regulations of 733, can take authority over a permit and probably result in that permit being—I don't know if revoked is the right term, but—shut down.

Senator METZENBAUM. I find myself somewhat nonplussed that you who have this responsibility and will be gaining even greater responsibility, if and when confirmed, are really not aware of whether you do or do not have authority to revoke permits.

It seems to me that's rather basic.

Mr. GRILES. Well, we do have the authority to revoke permits specifically in the States in which we've issued them.

Senator METZENBAUM. The States what?

Mr. GRILES. In which we have issued those permits.

Senator METZENBAUM. And how many States is that?

Mr. GRILES. That's in Washington State, I think in Georgia and in Tennessee, in which we have the primary authority.

Senator METZENBAUM. What about States where you don't have the primary authority?

Mr. GRILES. It's my understanding, Senator, as I stated earlier, that I believe OSM has that authority. It has to go through the due process of the State. OSM has to show that the State isn't taking a proper role. And isn't doing it correctly, to do that because when this law was passed, Senator, the law states the primary responsibility for enforcement, inspection, and issuing permits rests with the State.

Senator METZENBAUM. But the Federal Government has a monitoring right, and if they don't act, you have the right to come in and require it.

Mr. GRILES. Absolutely, Senator.

Senator METZENBAUM. My question is, how much of that activity have you been involved in?

Mr. GRILES. Well, when I was at OSM, Senator, we did take a number of actions of that nature. We put in process Senator Nickles' point about Oklahoma. It was after I left OSM that the actions in Tennessee were taken and OSM took over both the Tennessee Program and the Oklahoma Program.

So it has occurred.

Senator METZENBAUM. Let me read you something from a subsequent report on the Office of Surface Mining. Beyond reclamation?—and that has a question mark after it—12th report by the Committee on Government Ops of the House. They say:

> The committee's 1984 report demonstrated that the Department was bogged down in a time-consuming and, more important, ineffective effort to collect civil penalties owed by coal mine operators for violations of the law. Because the long, unwieldy and inefficient process of administrative and court proceedings had produced insignificant results, the committee concluded that Interior must focus its attention on the use of techniques for collecting penalties which are less time consuming and labor intensive than is the current practice of simply filing court cases.
>
> Convinced that withholding mining permits would be an effective response, the committee further concluded the Department should develop a fully workable system for denying permits to operations owned or controlled by operators who have violated the act and for revoking such permits. Since most States now are responsible for issuing and revoking operating permits, obviously development of such a system would require close coordination with the State.
>
> The committee recommended that OSM should implement an ongoing system of notification of the States regarding civil penalties owed, including penalties assessed by the States for purpose of permit denial; establish an ongoing real time system for identifying, matching and providing to States and Government entities who contract with coal producers information regarding coal operation who have violations and owe civil penalties; and include in the ongoing oversight of State program the review of State action with respect to denial, revocation and suspension of permits. Such review should not be limited to an annual review.

The punch line:

> Unfortunately, none of these recommendations has been satisfied.

Mr. Griles, I guess I could go on for a while longer, but I am prepared to say that I don't think you've convinced me of your dedication to this portion of this law, nor of your involvement in the effective enforcement of it to date. And I come back to where I was at the beginning; that is, that I have difficulty in understanding why a man who is obviously intelligent, assumed to be a man of character, would want to hold this position, when in 4½ years there has been such negative progress vis-a-vis effective work conformity with the law.

And I must say, I'm disappointed in your performance, and I think it's only fair to say I'm even more disappointed in the fact that the administration, the President has seen fit to nominate you for this position in view of your past failure to perform.

Thank you.

The CHAIRMAN. Thank you, Senator Metzenbaum.

Let me make just one brief statement at this point, because I don't think this started 4½ years ago. I think it started 7½ years ago.

Congress passed a bill that is very difficult to administer. I would hope that the administration might well focus on why it's difficult to administer, and if indeed it cannot be, then make recommendations to us as to changes in the statute that might be necessary or desirable to make it possible to administer.

Second, I think it should be stated on the record—and I wish you had volunteered this—perhaps you've been counseled not to volunteer more information than is necessary—the point that you alluded to but didn't elaborate upon, and that is that when you got there, the records of this Department were in cardboard boxes and paper bags in an unguarded room with open access by many. And they were in such shape that nobody could make any sense out of them.

I think that's a fair statement, is it not? I think that's come out at prior hearings and prior conversations. Am I correct in that?

Mr. GRILES. You're absolutely right, Senator. The records of the agency were in total disarray. We had no way of finding out who had violated the law.

The CHAIRMAN. I don't say that in order to try to divert attention away from the difficulties or to indicate that the difficulties aren't there, nor even just to say that it isn't the fault of this Adminstration. I'm not saying that. I just want to get the picture complete that the Congress created a tough condition.

When you got there, you had an even tougher condition to confront because of the shape in which the records were then existing; that maybe 4½ years is long enough to get everything sorted out. Maybe it isn't. I think Senator Metzenbaum and others are raising questions about why, even though it was a bad act—a bad act in the sense that it created enforcement difficulties—I don't mean bad act in a broader sense than that—but some of the problems in enforcement arise out of the provisions of the Act and out of the conditions of the records that you found.

Why haven't we been able to straighten it out faster than we have? And I think there are many people asking those questions Would you care to comment?

Mr. GRILES. Senator, I think that your points are well made in the sense that we did find that those records were in a number of offices. They were in basements and attics, in cardboard boxes and a number of other conditions, and it took a lot of time to try to even bring them and centralize them in Washington.

We tried to take those records and computerize them. That effort has been ongoing, because until they are in a sense put into a computer with the numbers of companies and individuals involved, can you accomplish what Senator Metzenbaum, as I understand, would like to; and that is to assure that past violators of the Surface Mining Act don't continue to have the opportunity to mine coal until they correct their past abuses.

I think that the systems that OSM is implementing today will do that, and it's my commitment, if confirmed, to assure that they are implemented and that they will be put in place to do that.

The CHAIRMAN. Well, if the records are in that bad shape and if, as a matter of fact, you've had all this difficulty over this period of time, aren't you going to be confronted a year from now or 2 years from now or 3 years from now, with the charges that you've failed to collect the fines and penalties that should have been assessed and collected for past activities?

Mr. GRILES. Senator, I think that the $200 million that Senator Metzenbaum alluded to—and the figure could be less or more, Senator.

Senator METZENBAUM. $150 to $200 million.

Mr. GRILES. OK. That many of those fines were against operators in 1977, 1978, and 1979 at a time when the energy market for coal was extremely high. Those people do not mine coal today. They're out of business. They were small operators. They don't mine coal. We know they don't mine. There may be some, but this computer system will allow us to check those. Many of them went bankrupt. We know this. There are a number of records that have shown that, and in the courts actions have been taken to try to collect that money.

Much of that money—and the agency has stated this on the record at the House Operations Committee—is probably uncollectible, and so did the House Operations Committee report.

We will need to move forward, but in 2 to 3 years, I do not believe that we will be able to collect a lot of that money because those people are bankrupt and there is no liability or accountability to collect.

My commitment for the future is that this system will allow us to log and computerize gross abuses of the act so the States know it, OSM knows it, and they won't get a surface mining permit. And I think that's what we should shoot for, and it will bring and restore credibility to the future of the agency.

The CHAIRMAN. My concerns are obviously multiple, but one that seems to me not yet to have been addressed is whether or not you or anyone else is going to be able to make enough sense out of those records and reconstruct them well enough to be able to undertake enforcement activities to collect fines and penalties based upon past activities.

Now, do you believe you can do that?

Mr. GRILES. I know the agency is trying, Senator.

The CHAIRMAN. That wasn't my question, whether you're trying. My question is, do you believe you'll succeed? Are you in a position to tell us now you're going to be able to do that? Are you in a position to tell us now you don't know?

Mr. GALLES. I'm in a position to tell you that I can't give you an affirmative answer.

The CHAIRMAN. You cannot give an affirmative answer?

Mr. GALLES. I cannot, because they are still trying to catalog all those violations. That process is underway right now in the agency.

The CHAIRMAN. I also should state for the record that I think the Parker decision was issued in spring of 1983 if I'm correct.

Mr. GALLES. I think that's correct.

The CHAIRMAN. If my memory is correct.

And following that, the Department did ask for additional personnel and some additional funding.

Mr. GALLES. That's correct.

The CHAIRMAN. That Congress did not act upon that request until late in 1983, and that some additional funding was made available to the Department late in 1983, but actually you didn't get started really on spending that additional money until early in 1984.

Am I correct?

Mr. GALLES. That's my understanding. Yes, sir.

Senator METZENBAUM. Mr. Chairman, I have just one more item.

The CHAIRMAN. Surely. Senator Metzenbaum.

Senator METZENBAUM. Mr. Gallis, the counsel for the minority has advised me that the Secretary can suspend permits when the State—even when the State has primacy. And they only revoke in those areas where the Federal Government is running the program.

But it should be pointed out, if you have the authority to suspend, that's all the authority that you need, because there is no limit as to how long you can suspend. I guess it concerns me a bit that you yourself do not seem to be aware of this right to suspend. If you were aware of it, it has not been invoked.

Mr. GALLES. Senator, when you asked that question, it suggests—and I have great respect for the minority counsel's opinions on this issue, so I assume that what he's saying is exactly right. And when you asked the opinion, could we revoke, and I said, Senator, I have concern about saying yes to that question, because I didn't think we had the authority to revoke permits unless we had issued them.

I think I did say to you, I think we can suspend them. I believe that's how my answer went.

Senator METZENBAUM. I don't think I heard that, but I certainly am not going to quibble about that.

Mr. GALLES. But that's the reason, Senator. I really wanted to be accurate with you on the record.

The CHAIRMAN. Senator Wallop.

Senator METZENBAUM. Thank you very much.

Senator WALLOP. Mr. Chairman—Senator Metzenbaum, before you leave, I would like you to hear what I'm about to say.

Senator METZENBAUM. I just have to talk to your colleague, Senator Evans. I'll come right back.

Senator WALLOP. Very well. I'll say it anyway.

Mr. Chairman, I have a statement in support of Steve Griles' nomination which I wish to have inserted in the record.

The CHAIRMAN. That will be placed in the record in full at this point.

[The prepared statement of Senator Wallop follows:]

STATEMENT OF HON. MALCOLM WALLOP, A U.S. SENATOR FROM THE STATE OF WYOMING

Mr. Chairman, I am pleased to join other members of this committee in offering my complete support and confidence in the "official" nomination of Steve Griles to this position. In my opinion, Steve has already been the Assistant Secretary for some many months now, and this process is simply that—a process to officially erase the "acting" portion of this job title which has restricted, if not down right impeded his ability to get the job done.

Over these many months as Acting Assistant Secretary, Steve has played a critical role in re-shaping and shaping many of Interior's emerging policies in coal leasing, the Federal Oil and Gas Royalty Management Act Inspection Program, and the Federal Onshore Oil and Gas Leasing Program to name a few. In my dealings with Steve on these and other issues, I have always found him to be a straight-shooter and willing to discuss his options with members of this committee before reaching a final decision. I would encourage him to maintain this already established pattern, and to keep members of this committee as up to date as possible on emerging issues or possible problems. Finally, keep up the good work, and best of luck to you.

Senator WALLOP. Mr. Chairman, increasingly, I find these hearings a rather degrading process, not devoted to the purpose of determining whether or not a nominee should be forwarded to the Senate, but devoted to ad hominum attacks, to character assassination, to sort of Ciceronian innuendo by "I don't mean to say that you're one of those who might be indicted, I don't mean to imply," and I think it is demeaning and unworthy of the Senate to do it this way.

Senator METZENBAUM. I want to say to my colleague——

Senator WALLOP. Mr. Chairman, I have the floor.

Senator METZENBAUM. There was no personal attack upon this man.

The CHAIRMAN. Senator Wallop has the floor. You may respond.

Senator WALLOP. You can respond at your will.

But when the questioner won't listen to the responses of the witness, for eagerness to get another mount from his ponyholder, it puts a——

Senator FORD. Explain that, would you? [Laughter.]

What is a ponyholder?

Senator WALLOP. A ponyholder is the staff person who's forwarding to you another question before you hear the response to the question you just asked.

And I think it demeans the Senate. I take offense, perhaps more than I should, because Steve Griles is my friend, but I don't think it's a proper procedure. I have no quarrel—none—with the idea of examining the whole record, but I don't think an examination of the record ought to be accompanied by little statements like, why do you want this thing when you have been so incompetent?

That's not the purpose that we gather here for. We are gathered here to examine the record, to look at the future, to try to develop some responses that we may come back to revisit later because

that's one of the opportunities that we have to come down to grips with policy decisions that may be pending.

And I just hope that somehow or another, this Senate seems willing to get back to the purpose involved, and that is to examine the record by all means, but not to examine it with a you this and you that. And maybe it might be, why would you, if you're so incompetent, want to have this job?

I just don't think that that's an appropriate way, Senator Metzenbaum, and I wanted to get that off my chest, because I don't think—I don't by any stretch of the imagination suggest that you should not examine the record, but there's two ways to do it, one of which is not personal. And I think for the Senate's reputation, that's a much better way.

Senator METZENBAUM. Mr. Chairman, may I respond?

The CHAIRMAN. Does the Senator yield? Senator Metzenbaum.

Senator METZENBAUM. I fully respect my colleague from Wyoming, and I respect his conducting himself in the manner that he deems appropriate. But I believe that the U.S. Senate has an absolute responsibility—it's not a casual responsibility. I think when you fail to ask him about his failure to act, if you think that is the case, then I think that you are remiss in your responsibilities.

I believe that every member of the U.S. Senate ought not to inquire as to his personal life—and that I have not done. I have not inquired about something he did 20 years ago. That I have not done. I have inquired of him with respect to that which I consider to be the issue, and that is based upon his record of 4½ years in this department, should he be promoted by this administration? And I believe, Senator, that if you don't get into that question—if I sat here on my butt and just voted yes or no, then I think that I shouldn't be in the U.S. Senate.

If anything, I believe the members of the U.S. Senate totally abrogate their responsibility on these advise and consent hearings. I take my constitutional obligation seriously.

You may not agree with my point of view, but that doesn't mean I'm going to change my conduct because you disagree. And I believe that to do anything less than to inquire of an individual concerning his past conduct and his professional responsibility would be a failure.

And so I am not going to change my method of operating or my conduct. And if there was any implication—any implication—of that, I suggest that any impropriety upon this nominee, by reason of talking about the administration indictment, I totally apologize for that, because I had no intention of doing that. I think that was clear to you, Mr. Griles. I did not mean to suggest that at all.

I would consider that to be totally off base. He has nothing to do with any other nominees, with any other people holding public office. But to inquire of him concerning his conduct or failure to act in his professional capacity, I believe that's appropriate, and I will continue to proceed accordingly in the future.

The CHAIRMAN. Senator Wallop.

Senator BUMPERS. Mr. Chairman, what is the status of the questioning?

The CHAIRMAN. We are rotating, and Senator Wallop——

Senator BUMPERS. I take it we're not going to get to me before this vote. That's the reason I was asking.

Senator WALLOP. I have two very short questions. I had an observation. I didn't expect Senator Metzenbaum to change the way he operates. I don't know anybody in the Senate who does.

Senator METZENBAUM. Who does change his method, or expects me to change?

Senator WALLOP. It's the method I was complaining about, not the fact that you were examining the record.

Mr. Griles, the President's fiscal year 1986 budget contained a proposal to deduct the administrative costs of collecting onshore mineral leasing receipts prior to calculating State shares of royalty revenue.

The Senate has rejected this concept twice, both in the authorization process and in the appropriation process.

Do you support that proposal? And, if so, could you give us an idea of what costs should be deducted?

Mr. GRILES. The President submitted to the Congress a budget that contained that provision, and I support the policy of the President in that regard, Senator.

In terms of the issue that you asked, I think that the proposal would have allowed for the deductions of collecting and disbursing those funds before the moneys are disbursed to the States and the States get their 50 percent. It would be after the cost of collecting and disbursing had been deducted. That was the proposal within the President's budget.

Senator WALLOP. Well, I guess the reason that I asked was because the proposal went from $5 million to $100 million or something overnight, and we thought that even under less bureaucratic circumstances that was a rather dramatic increase in cost of collection. And I'm sure you can expect this committee to be a very close viewer of any attempt to apply cost deductions, and those that we do finally submit to, if we ever do, would be really very closely related just to the bookkeeping accounts.

Last question. You're aware that many of the members of this committee were actively involved in drafting the Federal Oil and Gas Royalty Management Act of 1982 and were also actively involved in urging the department to adhere to the original intent of that law, which was basically to ensure that all energy and mineral resources originating on public lands or in public resources were properly accounted for.

On March 22, the department officially suspended its rather controversial inspection and enforcement regulations and appointed a task force to review and revise them.

Would you give us a sort of update as to the status of that task force, its report, and when this committee might expect a review of its findings?

Mr. GRILES. Senator, we did appoint a task force because when I found the nature of the rules and how it was being interpreted in the field, we realized that it didn't carry out the congressional intent and there were some major problems with it.

So we set up a task force and that task force has met a number of times with the affected parties, including the States, to try to see

how to best implement it. They sat down with me on three or four different occasions and we've addressed major policy questions.

Those rules now, Senator, are on my desk as a proposed rule. As soon as this process is completed, I hope that we will be able to focus on that, review those, get them signed and get them into the Federal Register so that the public can then look at the proposed rules to be sure that we in fact are interpreting the intent that you had when you passed that law.

We look forward to having that opportunity to discuss with you and other members of the committee to be sure we aren't doing something that wasn't intended, but we are in fact assuring proper royalty collection and accountability, which I think is the primary purpose of that.

Senator WALLOP. We look forward to it in your new capacity. Thank you.

Senator FORD. Mr. Chairman.

The CHAIRMAN. Senator Ford.

Senator FORD I passed earlier. But I'll have some questions in writing for the nominee about the loss of personnel, about the surface mining and the Assistant Secretary's role in that, the coal program which was testified before this committee in early November.

Those questions I'll submit in writing, Mr. Chairman, because I'll not be able to come back.

The CHAIRMAN. Senator Bumpers, do you want to return after this vote?

Senator BUMPERS. No. With your permission, I will submit my questions to Steve in writing.

The CHAIRMAN. Very well.

I know of no other requests of members to appear personally and question the witness personally. All members should be advised to have their written questions in by close of business on today so that we may expedite the answers.

Mr. Griles, I hope that you'll be able to get those answers back as quickly as possible because as you know, we can't act further on the nomination until the members have had the opportunity to examine the responses to the questions.

Mr. GRILES. I shall do that, Senator.

The CHAIRMAN. Thank you very much. I know of no further business to come before the committee at this time. We will adjourn.

[Whereupon, at 11:20 a.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Biographical and Informational Statements of the Nominees

RALPH W. TARR BIOGRAPHY

Mr. Tarr was born (September 29, 1948) and raised in Bakersfield, California. He attended Dartmouth College in Hanover, New Hampshire, where in 1970 he graduated magna cum laude, Phi Beta Kappa with an A.B. degree in Government.

Following graduation, he returned to California and served for nearly three years as a Staff Assistant to then Governor Ronald Reagan. He also received a Master's degree in Public Administration from California State University, Sacramento in 1973, and was elected to the Honor Society of Phi Kappa Phi.

In 1976, Mr. Tarr received a J.D. degree from the University of California, Hastings College of the Law in San Francisco, California, where he was a member of the Order of the Coif and the Thurston Society and served on the Editorial Review Board of the Hastings Law Journal. During 1976, Mr. Tarr served as an extern for the Honorable William P. Clark, Jr., Associate Justice of the California Supreme Court.

Thereafter, Mr. Tarr moved to Fresno, California where he served as law clerk to the Honorable George A. Brown, Presiding Justice of the California Court of Appeal, Fifth Appellate District. In 1977, he became an associate with the law firm of Baker, Manock & Jensen, a P.C., in Fresno. In 1981, he was elected a shareholder, director and vice president, as well as a member of the firm's Executive Committee. His emphasis was on business and personal injury litigation.

Mr. Tarr left the law firm to join the Reagan Administration in September 1982, serving as Principal Deputy Assistant Attorney General, Office of Legal Counsel, United States Department of Justice. On November 1, 1984, Mr. Tarr was designated by Attorney General William French Smith as Acting Assistant Attorney General in charge of that Office and continued in that capacity until November 13, 1985. He is currently Principal Deputy in that Office.

Mr. Tarr was married to the former Linda L. Kouyomjian in Bakersfield, California in 1972. They currently reside in Vienna, Virginia. Dr. Linda L. Tarr is a practicing clinical psychologist, and is currently Special Assistant to the Secretary for Special Projects, United States Department of Health and Human Services.

Mr. Tarr is a member of the California and District of Columbia Bars as well as the American Bar Association, Federal Bar Association, and the American Society for Public Administration.

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: TARR (LAST) RALPH (FIRST) WILLIAM (OTHER)

Position to which nominated: Solicitor, Department of Interior Date of nomination: October 10, 1985

Date of birth: 29-09-48 (DAY) (MONTH) (YEAR) Place of birth: Bakersfield, California

Marital status: married Full name of spouse: Linda L. Tarr

Name and ages of children: None

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Foothill High School	9/62-6/66	Diploma	6/66
Dartmouth College	9/66-6/70	A.B.	6/70
Calif. St. Univ., Sacramento	2/71-6/73	M.P.A.	6/73
Univ. of Calif., Hastings College of the Law	8/73-5/76	J.D.	5/76

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

6/70 - 8/70	Unemployed
8/70 - 11/70	Republican United Precinct Organization of Kern County, Bakersfield, California; Precinct Coordinator: organization, development, and management of a grass roots political organization countywide
11/70 - 1/71	Unemployed
1/71 - 8/73	Governor's Office, State of California, Sacramento, California; Travel Secretary and Advance Man: responsible for travel arrangements of Governor Ronald Reagan whenever he traveled, both within and outside the U.S., scheduling during his travels, and liaison with individuals and groups at each stop
8/73 - 5/74	Unemployed (school)

Employment record—Continued

5/74 - 1/76	Hassard, Bonnington, Rogers & Huber, San Francisco, California; law clerk
1/76 - 5/76	State of California, Supreme Court, the Honorable William P. Clark, Associate Justice; extern
6/76 - 9/76	Unemployed
9/76 - 9/77	State of California, Court of Appeal, Fifth District, the Hon. George A. Brown, Presiding Justice, Fresno, California; Research attorney (continued)

Military service

Describe any military service not listed above, including dates, rank, and type of discharge.

None

Honors and awards

List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Daniel Webster National Scholarship, Magna Cum Laude, Phi Beta Kappa (Dartmouth); Phi Kappa Phi (Calif. St. Univ., Sacramento); Thurston Society, Order of the Coif (Univ. of Calif., Hastings College of the Law)

Memberships:

List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
American Bar Association	1977-Present	None
American Trial Lawyers Assn.	1980-83	None
Calif. Trial Lawyers Assn.	1980-83	None
California Bar Association	1976-Present	Comm to confer with the Calif. Medical Ass: 1980-82
California Assn. for the Phys. Handicapped	1980-81	None
District of Columbia Bar Assn.	1984-Present	None (continued)

Published writings

List the titles, publishers and dates of any books, articles, or reports you have written.

"Protecting the Privacy of the Absent Patient: Rudnick v. Superior Court," 27 Hastings Law Journal 99 (1976)

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

N/A - Employed by the Department of Justice since 1982

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

No

Financial statement

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

None

3. Are you currently a party to any legal action? If so, describe its nature and status.

No

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No

Potential conflicts of interest

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

Diamond Shamrock Common Stock

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

While employed at a private law firm several years ago I worked on various lawsuits involving the Department of Interior. To my knowledge only one of these cases is still pending.

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

None

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

Upon confirmation, I will divest Diamond Shamrock common stock interest. I have terminated completely the interests in the former law firm employee trusts shown on the attached SF 171. I intend to recuse myself from any case that I participated in while employed at the private law firm.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

It is my intention to comply with all applicable conflict of interest laws and regulations and to seek and follow the Counsel of the Designated Agency Ethics Official at the Interior Department.

Public disclosure: Do you have any objections to this form and the attachments thereto being made public?

No

AFFIDAVIT

District of Columbia

I, Ralph W. Tarr [ss] being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief current, accurate, and complete.

Ralph W. Tarr
(Signature of Nominee)

Subscribed and sworn to before me this 6th day of November, 1985

Brenda J. Hurst
Notary Public

My Commission Expires November 14, 1986

Form approved by the Committee February 5, 1985.

Page 2 Employment record - continued

9/77 - 8/82	Baker, Manock & Jensen, a P.C., Fresno, California; associate attorney (9/77-3/81), shareholder, director, vice president and member of the Executive Committee (4/81-8/82)
8/82 - Present	U.S. Department of Justice, Office of Legal Counsel, Washington, D.C.; Principal Deputy Assistant Attorney General (8/82-10/84); Acting Assistant Attorney General (11/84-Present)

Fresno City and Co Chamber of Commerce	1963-82	Exec
Taxpayers Assn of Fresno County	1952-Present	Exec
Fresno County Bar Assn	1977-Present	Exec
Northern Calif. Assn of Defense Counsel	1983-91	Exec
Toastmasters	1983-90	Exec
Federal Bar Association	1982-Present	Exec
American Society for Public Administration	1982-Present	Exec
Federalist Society, Lawyers Division	1984-Present	Exec
Fresno Citizens Participation	1978-81	Exec, Planning and Zoning 1980
Neighborhood Council, Area 6;		
Fresno Urban Planning Committee		
Sarkesian Study Association	1979-Present	Exec
Northern California		
Washington		
Sarkesian Lawyers Club	1984-Present	Exec
Saratoga Study Association	1978-Present	Exec
Friends of the Kennedy Center	1982-Present	Exec
Smithsonian Resident Association	1983-Present	Exec
Academy of Political Science	1983-85	Exec
Phi Beta Kappa	1979-Present	Exec
Phi Kappa Phi	1979-Present	Exec
Christian Legal Society	1979-Present	Exec
Bangor County Association Executives	1984-Present	Vice Pres
Baker, Manock & Jensen, a P.C. CPA	1984-Jan	Accountant
Saratoga Study Association	1979-Present	Exec
Sarkesian Class of 1979	1979-Present	Membership Chair (1979-79)

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OCT 17 1985

Dr. Lloyd P. Martin
Director, Office of Government Ethics
Office of Personnel Management
P.O. Box 14108
Washington, D.C. 20044

Dear Mr. Martin:

The enclosed financial disclosure report filed by Mr. Ralph W. Tarr for the position of Solicitor, U.S. Department of the Interior has been reviewed in compliance with 5 CFR 2634.605(a). In addition to the standard conflict of interest prohibitions in 18 U.S.C. 208(a) [illegible] the Solicitor is also subject to several prohibitions that apply only to employees in our Department. These additional prohibitions are 18 U.S.C. §437; 30 U.S.C. §1; 30 U.S.C. §1211(f); 43 U.S.C. §11 and 43 U.S.C. §31(a). Except for 30 U.S.C. §1211(f), the provisions of each of these statutes is extended to the Solicitor by Department regulations in 43 CFR Part 20. The provisions of 30 U.S.C. §1211(f) apply directly to all Federal employees, including the Solicitor, U.S. Department of the Interior, who perform functions under the Surface Mining Control and Reclamation Act of 1977.

In addition to the information provided on the SF-278, my certification is based on the following analysis and planned resolutions:

1. Diamond Shamrock Company, one of this country's major coal producers, also leases approximately 140,000 acres of Federal land from the Interior Department for its oil and gas operations. Because of this, the Solicitor is prohibited by 30 U.S.C. §1211(f), 43 U.S.C. §11 and 43 U.S.C. §31(a) from having a financial interest in this company. Mr. Tarr has agreed to sell his stock in Diamond Shamrock Company upon his confirmation as Solicitor, U.S. Department of the Interior.

2. Under 18 U.S.C. §208, Mr. Tarr's continuing financial interest in the law firm of Baker Hostetler and Jansen through a profit sharing trust and pension plan, would normally require a recusal statement. However, Mr. Tarr has made an official request to the trustee to sell his portion of the trusts investments and to terminate his interests in the trust and pension plan. This action will result in the elimination of any continuing financial interest in the firm and, in our opinion, a recusal statement is not necessary.

3. Mr. Tarr's Individual Retirement Accounts consist of bank certificates of deposit.

4. Lemar Corporation which manufactures aerospace and aviation products has no current business arrangements with the Department of the Interior.

5. Mr. Tarr's real estate interests do not involve any rights to federal lands and water service to the properties is not provided by the U.S. Bureau of Reclamation.

My review of the other items reported by Mr. Tarr reveals no problem with any applicable conflict of interest statutes or regulations. Please call me or my Deputy Gabe Paone if you have any further questions.

Sincerely,

(Sgd.) Gerald R. Riso

Gerald R. Riso
Principal Deputy Assistant Secretary
Policy, Budget and Administration
and Designated Agency Ethics Official

Enclosures

cc:
Mr. Tarr

United States of America
Office of Government Ethics

Office of Personnel Management
Washington, D.C. 20415

OCT 18 1985

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Ralph W. Tarr, who has been nominated by President Reagan for the position of Solicitor, Department of the Interior.

We have reviewed the report and have also obtained advice from the Department of the Interior concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Mr. Tarr has indicated that upon confirmation, he will have withdrawn his interest in the pension and profit sharing plans of the law firm in which he was formerly a partner, thus completely severing any relationship with the firm. He will also sell his stock in the Diamond Shamrock Corporation.

Based thereon, we believe that Mr. Tarr is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David H. Martin
Director

Enclosure

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

December 2, 1985

The Honorable James A. McClure
Chairman, Committee on Energy and
Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Pursuant to Section 201(b) of the Ethics in Government Act of 1978, as amended, I hereby certify and report that the information required by Section 202(a)(1)(A) with respect to earned income and honoraria, as set forth in my Financial Disclosure Report (SF-278) dated August 22, 1985, is current as of December 2, 1985. I further certify that I have transmitted copies of this report to the Office of Government Ethics.

Ralph W. Tarr
Ralph W. Tarr

Washington)
)ss
District of Columbia)

Subscribed and sworn before me on this 2nd day of December, 1985.

Joanne O. Bruce
Notary Public

My commission expires: Nov. 30, 1987

cc:
The Honorable J. Bennett Johnston

Financial Disclosure Report

Form Approved: OMB No. 3206-0063

(Check Appropriate Box)

DEPARTMENT OF THE INTERIOR RECEIVED OCT 15 1985 ETHICS OFFICE

Agency Use Only — OGE Use Only: OCT 17 1985

	[X] New Entrant, Nominee, or Candidate [ ] Termination Filer	Date of Nomination (Mo., Day, Yr.): October 10, 1985	Termination Date (If Applicable) (Month, Day, Year):
Reporting Individual's Name	Last Name: TARR	First Name and Middle Initial: RALPH W.	
Position for Which Filing	Title of Position: SOLICITOR	Department or Agency (If Applicable): INTERIOR	
Location of Present Office	Address (Number, Street, City, State and ZIP Code): Office of Legal Counsel, Dept. of Justice 10th & Constitution Ave., N.W. Washington, D.C. 20530	Telephone No. (Include Area Code): (202) 633-2041	
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: Acting Assistant Attorney General (11-84/Present) Principal Deputy Assistant Attorney General (9-82 thru 11-84)		
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Senate Energy and Natural Resources	Do You Intend to Create a Qualified Diversified Trust? [ ] Yes [X] No	
Certification	Signature of Reporting Individual: Ralph W. Tarr	Date (Month, Day, Year): 8/22/85	
Other Review (If desired by agency)	Signature of Other Reviewer:	Date (Month, Day, Year):	
Agency Ethics Official's Opinion	Signature of Designated Agency Ethics Official/Reviewing Official: Grover R Rice	Date (Month, Day, Year): 10/17/85	
Office of Government Ethics Use Only 10/18/85	Signature: David H Martin	Date (Month, Day, Year): 10-18-85	

Certification: I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.

Other Review (If desired by agency)

Agency Ethics Official's Opinion: The information contained in this report discloses no conflict of interest under applicable laws and regulations.

Office of Government Ethics Use Only

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

(Check box if comments are continued on the reverse side) [ ]

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A, C, and D. (Candidates do not file Part II of Schedule D.)

- **Schedule A**—The reporting period for Income (BLOCK C) and Transactions Test (BLOCK D) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

NSN 7540-01-070-6444

U.S. Office of Personnel Management

Reporting Individual's Name	Assets and Income	Page Number	2	Schedule A
TARR, RALPH W.				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources		BLOCK B Valuation of Assets								BLOCK C Income														BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐		Category of Value (X)								Type of Income (X)						Other (Specify Type)	Category of Amount of Income (X)								Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Schd. B Part I for those assets including those sold for a loss.	
		None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000			YES	NO
S or DC	Examples: X Y Z Common			X						X									X								X	
	Examples: Doe Jones & Smith, Hometown, USA			X												ptnrshp income									$50,000			
1 S	U.S. Dept. of Health and Human Services															Salary												
2 S	Practicing Clinical Psychologist with Vienna Family Therapy Center		X													Fees												
3																												
4	First American Bank of Virginia, checking account			X								X						X										
5	First American Bank, N.A. trust account for rental property	X										X					X											
6	Gibraltar Savings, Money market & savings accounts		X									X						X										
7	McLean Savings Money market account			X								X						X										
8	Providence Savings Savings account		X									X					X											
9	Washington Federal Savings trust account for rental		X									X						X										
10	property																											

U.S. Office of Personnel Management

Reporting Individual's Name	Assets and Income	Page Number	3	Schedule A
FARR, RALPH W.				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income															BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)										If yes, complete Schd. B Part I for those assets including those sold for a loss.	
	None (or less than $1001)	$1,001 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
S or DC Examples: X Y Z Common			X						X									X								X	
Doe Jones & Smith, Hometown, USA			X												ptnrshp income									$50,000			
1 First American Bank, N.A. IRA certificate		X									X						X										
2 S First Maryland Savings IRA certificate		X									X						X										
3 Washington Federal Savings IRA certificate		X									X						X										
4 S Washington Federal Savings IRA certificate		X									X						X										
5 Diamond Shamrock Common		X							X								X										
6 Kaman Corporation Common			X						X								X										
7 Residential Unimproved Real Property W. Alluvial, Fresno, CA						X										X											
8 Residential Improved Real Property 6538 N. Valentine, Fresno, CA						X				X												X					
9 Residential Improved Real Property 1163 W. Athens, Fresno, CA					X					X											X						
10																											

PREVIOUS EDITION USABLE

278-209

NSN 7540-01-315-8018

Reporting Individual's Name	Assets and Income	Page Number	Schedule
TARR, RALPH W.		4	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets	BLOCK C Income																				BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)								Type of Income (X)						Other (Specify Type)	Category of Amount of Income (X)								Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Schd. B Part I for those assets including those sold for a loss.	
		None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000			YES	NO
S or DC	Example: X Y Z Common				X				X									X								X	
	Example: Doe Jones & Smith, Hometown, USA			X											ptnrship income									$50,000			
1	Baker, Manock & Jensen, a P	C.																									
	Pension Trust - Fresno, CA		X								X						X										
2	During 1984 and to date in																										
3	1985 the entirety of the																										
4	assets of the trust con-																										
	sistad of deposits in the																										
	following insticutions																										
5	Bank of Fresno																										
6	Crocker National Bank																										
7	Regency Bank																										
8	Guarantee Savings & Loan																										
9																											
10																											

The portion of the deposits in each of these institutions specifically attributable to me and the precise amount of interest derived from each credited to me is unknown to me. Line 1 reflects my own interest in the plan and the total interest from all sources credited to me.

U.S. Office of Personal Management

Reporting Individual's Name	Assets and Income	Page Number	5	Schedule A
TARR, RALPH W.				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets	BLOCK C Income																								BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)									Type of Income (X)							Other (Specify Type)	Category of Amount of Income (X)									Actual Amount Only If "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Schd. B Part 1 for those assets including those sold for a loss.	
	None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000			YES	NO
S or DC Examples: X Y Z Common				X				X									X									X	
Doe Jones & Smith, Hometown, USA			X											ptnrshp income										$50,000			
1 Baker, Nanock & Jensen, a P.C. Profit Sharing Trust, Fresno, CA			X							X						X											
2																											
3 Trustee Directed investments consist of deposits in the following institutions during 1984 and 1985			The portion of the total fund assets in each of the institutions attributable to me and the interest derived therefrom specifically attributable to me is unknown to me. Line 1 reflects my own interest in the plan and the total interest from all sources credited to me.																								
4																											
5 Guarantee Savings & Loan Continental Illinois Bank																											
6 Sears Liquid Asset Fund Citybank New York																											
7 Great American Federal Bank of Fresno																											
8 Self-directed investments consist of the following																											
9 Suave Shoe Company Common		X						X							X												
10																											

PREVIOUS EDITION USABLE

278-209

NSN 7540-01-070-6018

U.S. Office of Government Ethics

Approved
OMB No. 3209-0002

Reporting Individual's Name

TARR, RALPH W.

Page Number	6	Schedule B

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE [X]

ID	Identification of Assets	Type of Transaction (X)				Amount of Transaction (X)					
		Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
Example	XYZ Common	X			2/1/83			X			
1											
2											
3											
4											
5											
6											

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only:
Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. **Exclude** transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), **exclude** gifts from relatives and **exclude** gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE [X]

ID	Source (Name and Address)	Brief Description	Value
Example	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/83	$500
Example	Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
1			
2			
3			
4			
5			
6			

Form Approved
OMB No. 3206-0067

Individual's Name

[redacted], RALPH W.

Page Number	7	Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☐

	Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X) $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
S or DC	Exam ples: First District Bank, Washington, DC John Jones, 123 J St., Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware Promissory note	1981 1979	13% 10%	25 yrs on demand	X		X		
1	Central Savings and Loan Association E. Shaw Avenue, Fresno, CA	First Mortgage on rental property 6538 N. Valentine, Fresno, CA	1976	9 1/4%	30yrs		X			
2	Central Savings and Loan Association E. Shaw Avenue, Fresno, CA	Second Mortgage on rental property 6538 N. Valentine, Fresno, CA	1979	12 3/4%	30yrs		X			
3	Guarantee Savings and Loan Association E. Shaw Avenue, Fresno, CA	First Mortgage on unimproved residential real property, W. Alluvial, Fresno,CA	1979	11 1/4%	20 yrs			X		
4	Valley Federal Savings and Loan Association W. Shaw Avenue, Fresno, CA	First Mortgage on rental property 1163 W. Athens, Fresno, CA	1977	8 1/2%	30yrs		X			
5										
6										

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☐

Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example: Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Home town, USA	7/75 ptnership agmnt.
Continuing Financial Interest in Profit Sharing Trust and Pension Plan Trust - all contributions were made prior to my leaving the firm in August, 1982 and no further contributions will be made.	Baker, Manock & Jensen, a P.C. Fresno, California	8/31/82

Office of Government Ethics
5 C.F.R. Part 2634

Reporting Individual's Name

Pgt, RALPH W.

Page Number	8	Schedule D

Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE [X]

Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples: Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/83
Dow Jones & Smith, Hometown, USA	Law firm	Partner	7/75	11/83

Part II
Compensation in Excess Of $5000 Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE [X]

Source (Name and Address)	Brief Description of Duties
Examples: Dow Jones & Smith, Hometown, USA	Legal services
Metro University (client of Dow Jones & Smith) Hometown, USA	Legal services in connection with university construction

PREVIOUS EDITION USABLE

OGE 86

63

B I O G R A P H Y

J. STEVEN GRILES, ASSISTANT SECRETARY DESIGNATE
DEPARTMENT OF THE INTERIOR

1981 - Present: Mr. Griles was appointed Deputy Assistant Secretary by the Secretary of the Interior in May 1981 and has served as acting Assistant Secretary of Land and Minerals Management since December of 1988.

Mr. Griles has served as principal advisor and manager of the Outer Continental Shelf activities and the energy and mineral resource issues on public lands, including Alaska land issues of Bureau of Land Management. Directed the implementation of regulations to implement laws controlling the oil and gas inspection program for royalty collection and environmental protection; supervised the implementation and direction of land use planning, including the disposal of excess federal lands. In addition to testifying before Congress, he keeps Congressional staff and members informed on departmental issues, thereby promoting support of agency actions.

March 1981 - July 1981: Deputy Director, Office of Surface Mining, U.S. Department of the Interior.

Served as principal advisor to the Director of the Office of Surface Mining and assured proper implementation of the Surface Coal Mining and Reclamation Act which controls all coal mining. The purpose of the Act is to ensure environmental protection and proper reclamation of lands disturbed by coal mining. Mr. Griles oversaw the revision of the regulations to remove unfavorable design criteria and replaced them with enforceable performance standards. He also established working relationships with states and approved state programs so as to return primary enforcement of Act to the states.

January 1978 - March 1981: Executive Assistant, Conservation and Economic Department, State of Virginia.

Supervised the development and implementation of policy and program management for 14 major state programs. These programs included surface mining reclamation, state parks, state forest, reforestation, gravel extraction, topographic and geologic investigations, salt water sports fishing promotion, tidal control, oil development, forest fire suppression, and others.

June 1977 - January 1978: Programs Administration/Staff Assistant, Virginia Department of Conservation and Economic Development.

Developed departmental policy and coordinated legislative programs for various operating divisions. Provided advice to the Director of department, including serving on the oil and port development task force for Virginia, served as chief of a legislative commission for reorganizing major functions of state government, including an analysis and recommendation of the organizational structure for all mineral exploration and environmental protection programs.

Education: Bachelor of science degree, University of Richmond, 1966-1970. Graduate work in business, Virginia Commonwealth University.

UNITED STATES SENATE

COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: _____ (First) _____ (Middle) _____ (Last) _____ (Suffix)

Position to which nominated: _____

Date of nomination: _____

Address (List current place of residence and office addresses): _____

Telephone number (List area code, phone and fax numbers): _____

Email address: _____

Citizenship (List nationality of spouse): _____

Place of birth (City and State or Country): _____

Date of birth (Month, day, and year): _____

Marital status: _____

Full name of spouse (and former spouses if applicable): _____

Children (List name and age of children): _____

Parents: (List parents' names and dates of birth and, if deceased, dates of death): _____

Grandparents: (List grandparents' names and dates of birth and, if deceased, dates of death): _____

Education:

Institution	Dates attended	Degree received	Date of degree

Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

J. Steven Griles
Employment Record (Continued)
Page 3

outer limits of the US economic jurisdiction; management of revenues from Federal mineral leases; also serve as an advisor to the Secretary in the Secretary's role as Chairman of the Cabinet Council on Natural Resources and the Environment; oversee secretarial direction and supervision of the Bureau of Land Management, the Minerals Management Service, and the Office of Surface Mining and Reclamation.

* Deputy Director, Office of Surface Mining
US Department of the Interior, Washington, DC 20240
June 1981 to September 1983

Duties: Principal advisor to the Director; managed the Surface Coal Mining and Reclamation Act that controls all coal mining to assure environmental protection and proper reclamation of lands disturbed. Revised regulations to remove inflexible design criteria and replaced with enforceable performance standards. Established working relationships with States and approved State programs so as to return primary enforcement of Act to the States; managed the agency on a day-to-day basis.

* Assistant Director—Inspection and Enforcement
Office of Surface Mining
US Department of the Interior, Washington, DC 20240
March 1981 to June 1981

Duties: Principal advisor to the Director on managing the Surface Mining and Reclamation Act; developed overall administrative framework for revising inspection and enforcement regulations.

Executive Assistant
Department of Conservation and Economic Development
State of Virginia
Richmond, Virginia 23219
January 1978 to March 1981

Duties: Served as director for all administrative, financial, and personnel and policy responsibilities; developed goals and objectives for overall Department; resolved inter- and intra- agency disputes; liaison with General Assembly and handled all legislative matters at both State and Federal levels. Primarily responsible for developing Virginia's Surface Mining and Reclamation Program.

* Programs Administrator/Supervisor
Department of Conservation and Economic Development
State of Virginia
Richmond, Virginia 23219
July 1973 to January 1978

Duties: Developed Departmental policy on various programs; responded to and provided guidance to various operating divisions; served as legislative liaison.

* Staff Assistant/Program Manager
Department of Conservation and Economic Development
State of Virginia
Richmond, Virginia 23219
May 1971 to July 1973

Duties: Coordinated policy positions; served as liaison with various interest groups.

J. Steven Griles
Employment Record Continued
Page 2

* Water Resources Technician
Department of Conservation and Economic Development
State of Virginia
Richmond, VA 23219
June 1969 to May 1971 (part-time)

Duties: Field analysis and program planning of water quantity resources in the State of Virginia.

Employment record—Continued

Also see Attachment 1 - Standard Form 171

Military service: Describe any military service not listed above, including dates, rank, and type of discharge.

Virginia National Guard, 1970-1978 E-7

Honorable Discharge

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Outstanding Recruit in Basic Training

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
Sigma Chi Fraternity	1966 - To Date	Vice President in College

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

Article published in Government Executive - March 1983, entitled "Collecting Commercial Debts Through Private Sector Firms."

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Currently Deputy Assistant Secretary

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N.A.

Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

None

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

See Attachment 2.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

None

3. Are you currently a party to any legal action? If so, describe its nature and status.

No

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No

Potential conflicts of interest:

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

See Attachment 3.

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

See Attachment 4.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

See Attachment 4.

Public disclosure: Do you have any objections to this form and the attachments thereto being made public?

No

AFFIDAVIT

I, J. Steven Griles, being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

J. Steven Griles
(Signature of Nominee)

Subscribed and sworn to before me this 19 day of November, 1985

Elizabeth J. Sherwood
Notary Public

My Commission Expires March 31, 1987

Form approved by the Committee February 5, 1985.

Personal Qualifications Statement

Read instructions before completing form

Attachment 1

Form Approved
OMB No. 50-R0367

1. Kind of position (job) you are filing for (*or title and number of announcement*)
Assistant Secretary--Land & Minerals Mgmt.

2. Options for which you wish to be considered (*if listed in the announcement*)

3. Home phone — Area Code: 703 — Number: 476-0023

4. Work phone — Area Code: 202 — Number: 343-5676 — Extension:

5. Sex (*for statistics only*) — [X] Male [ ] Female

6. Other last names ever used: None

Name (*Last, First, Middle*)
GRILES, J. Steven

Street address or RFD no. (*include apartment no., if any*)
11502 Purple Beech Drive

City: Reston, — State: VA — ZIP Code: 22091

8. Birthplace (*City & State, or foreign country*)
Clover, Virginia

9. Birth date (*Month, day, year*)
12-13-47

10. Social Security Number
224-66-9842

11. If you have ever been employed by the Federal Government as a civilian, give your highest grade, classification series, and job title.

Deputy Assistant Secretary-Land & Minerals

Dates of service in highest grade (*Month, day, and year*)
From 9/83 To Present

12. If you currently have an application on file with the Office of Personnel Management for appointment to a Federal position, list (a) the name of the area office maintaining your application, (b) the position for which you filed, and (*if appropriate*) (c) the date of your notice of rating, (d) your identification number, and (e) your rating.

13. Lowest pay or grade you will accept

PAY		OR	GRADE
$	per		ES V

14. When will you be available for work? (*Month and year*)
Immediately

DO NOT WRITE IN THIS BLOCK
FOR USE OF EXAMINING OFFICE ONLY

Material: [ ] Submitted [ ] Returned
Entered register
Notations
Form reviewed
Form approved

ANNOUNCEMENT NO.
STATEMENT NO.

Option	Grade	Earned Rating	Preference	Aug Rating
			[ ] 5 Points (Tent.)	
			[ ] 10 Pts. 30% or More Comp. Dis.	
			[ ] 10 Pts. Less Than 30% Comp. Dis.	
			[ ] Other 10 Points	
			[ ] Disallowed	
Initials and date			[ ] Being Investigated	

THIS SPACE FOR USE OF APPOINTING OFFICER ONLY
Preference has been verified through proof that the separation was under honorable conditions, and other proof as required.
[ ] 5 Point [ ] 10 Points 30% or More Compensable Disability [ ] 10 Points Less Than 30 Table Disab. [ ] 10 Point Other

Signature and title

Agency — Date

15. Are you available for temporary employment lasting

(Acceptance or refusal of temporary employment will not affect your consideration for other appointments.)

	YES	NO
A. Less than 1 month?		X
B. 1 to 4 months?		X
C. 5 to 12 months?		X

16. Are you interested in being considered for employment by

	YES	NO
A. State and local government agencies?	N/A	
B. Congressional and other public offices?	N/A	
C. Public international organizations?	N/A	

17. Where will you accept a job?

	YES	NO
A. In the Washington, D.C. Metropolitan area?	X	
B. Outside the 50 United States?		X
C. Anyplace in the United States?		X
D. Only in (*specify locality*)		

18. Indicate your availability for overnight travel

A. Not available for overnight travel	
B. 1 to 5 nights per month	X
C. 6 to 10 nights per month	
D. 11 or more nights per month	

19. Are you available for part-time positions (*fewer than 40 hours per week*) offering

	YES	NO
A. 20 or fewer hours per week?		X
B. 21 to 31 hours per week?		X
C. 32 to 39 hours per week?		X

20. Veteran Preference. Answer all parts. If a part does not apply to you, answer NO.

	YES	NO
A. Have you ever served on active duty in the United States military service? (*Exclude tours of active duty for training in Reserves or National Guard.*)		X
B. Have you ever been discharged from the armed services under other than honorable conditions? You may omit any such discharge changed to honorable or general by a Discharge Review Board or similar authority. If "YES," give details in item 34.		X
C. Do you claim 5-point preference based on active duty in the armed forces? If "YES," you will be required to furnish records to support your claim at the time you are appointed.		X
D. Do you claim 10-point preference? If "YES," check the type of preference claimed and complete and attach Standard Form 15, "Claim for 10-Point Veteran Preference," together with the proof requested in that form.		X

Type of Preference: [ ] Compensable Disability 30% or More [ ] Compensable Disability Below 30% [ ] Non-compensable Disability [ ] Purple Heart Recipient [ ] Spouse [ ] Widow(er) [ ] Mother

E. List dates, branch, and serial number of all active service (*enter "N/A" if not applicable*)

From	To	Branch of Service	Serial or Service Number
8/70	8/78	Virginia Army National Guard	224-66-9842

THE FEDERAL GOVERNMENT IS AN EQUAL OPPORTUNITY EMPLOYER

 PREVIOUS EDITION USABLE 7540-00-935-7150 171-107

Standard Form 171 (Rev. 1-78)
Office of Personnel Management
FPM Chapter 295

21 Experience. Begin with current or most recent job or volunteer experience and work back. Account for periods of unemployment exceeding three months and your residence address at that time on the last line of the experience blocks in order of occurrence.

May inquiry be made of your present employer regarding your character, qualifications, and record of employment? (A "NO" will not affect your consideration for employment opportunities except for Administrative Law Judge positions.) [X] YES [ ] NO

A

Name and address of employer's organization (include ZIP code, if known)
US Department of the Interior
18th & C Streets, NW
Washington, DC 20240

Dates employed (give month and year): From 9/83 To present
Average number of hours per week: 60
Salary or earnings: Beginning $63,800 per yr; Ending $70,500 per yr
Grade: ES V
Place of employment: City Washington; State DC

Exact title of your position: Deputy Assnt Secy-Land & Minerals Management
Name of immediate supervisor: Donald P. Hodel
Area Code / Telephone number: 202 / 343-7351
Number and kind of employees you supervise: 20 immediate staff
Kind of business or organization (manufacturing, accounting, social services, etc.): US Government
If Federal service, civilian or military, series, grade or rank, and date of last promotion:
Your reason for wanting to leave: Opportunity/Challenge

Description of work (Describe your specific duties, responsibilities, and accomplishments in this job): Direct responsibility for programs associated with land use planning, public land management, including onshore and offshore minerals management; development and management of effective fuel-related mineral data collection and analysis; operations management for minerals on the Outer Continental Shelf to the outer limits of the US economic jurisdiction; management of revenues from Federal Mineral leases; also serve as an advisor to the Secretary in Secretary's role as Chairman of the Cabinet Council on Natural Resources and the Environment; oversee Secretarial direction and supervision of the Bureau of Land Management, Minerals Management Service, and the Office of Surface Mining.

For agency use (skill codes, etc.):

B

Name and address of employer's organization (include ZIP code, if known)
US Department of the Interior
Office of Surface Mining and Reclamation
1951 Constitution Avenue, NW
Washington, DC 20241

Dates employed (give month and year): From 6/81 To 9/83
Average number of hours per week: 50
Salary or earnings: Beginning $ ES III per; Ending $ ES IV per
Place of employment: City Washington; State DC

Exact title of your position: Deputy Director
Name of immediate supervisor: James R. Harris
Area Code / Telephone number: 812 / 464-8338
Number and kind of employees you supervised: 15 immediate staff
Kind of business or organization (manufacturing, accounting, social services, etc.): US Government
If Federal service, civilian or military, series, grade or rank, and date of last promotion:
Your reason for leaving: Promotion

Description of work (Describe your specific duties, responsibilities, and accomplishments in this job): Principal advisor to the Director; managed the Surface Coal Mining and Reclamation Act that controls all coal mining to assure environmental protection and proper reclamation of lands disturbed. Revised regulations to remove inflexible design criteria and replaced with enforceable performance standards. Established working relationships with States and approved State programs so as to return primary enforcement of Act to the States; managed the agency on a day-to-day basis.

For agency use (skill codes, etc.):

C

Name and address of employer's organization (include ZIP code, if known)
US Department of the Interior
Office of Surface Mining and Reclamation
Washington, DC 20241

Dates employed (give month and year): From 3/81 To 6/81
Average number of hours per week: 50
Salary or earnings: Beginning $ ES I per; Ending $ ES III per
Place of employment: City Washington, State DC

Exact title of your position: Assistant Director--Inspection & Enforcement
Name of immediate supervisor: Andrew Bailey
Area Code / Telephone number: 703 / 285-2220
Number and kind of employees you supervised: 10
Kind of business or organization (manufacturing, accounting, social services, etc.): US Government
If Federal service, civilian or military, series, grade or rank, and date of last promotion:
Your reason for leaving: Promotion

Description of work (Describe your specific duties, responsibilities, and accomplishments in this job): Principal advisor to the Director on managing the Surface Mining and Reclamation Act; developed overall administrative framework for revising inspection and enforcement regulations.

For agency use (skill codes, etc.):

If you need additional experience blocks, use Standard Form 171-A or blank sheets of paper

SEE INSTRUCTION SHEET

CONTINUATION SHEET FOR STANDARD FORM 171
"PERSONAL QUALIFICATIONS STATEMENT"

3

Form Approved.
O.M.B. No. 50-R0367

INSTRUCTIONS—Fill out this form only when necessary for completion of Item 21 "EXPERIENCE" on Standard Form 171. Enclose with your Statement. Typewrite or print clearly in dark ink.

1 Name (Last) (First) (Middle)	2 Birth date (Month, day, year)	3 Kind of position applied for, or name of examination
Griles, James Steven	Dec. 13, 1947	Assistant Secretary--Land & Minerals Mgmt.

D

Name and address of employer's organization (include ZIP Code, if known)
Department of Conservation & Economic Development
1100 Washington Office Building
Richmond, Virginia 23219

Dates employed (give month and year): From 1/78 To 3/81
Average number of hours per week: 40
Salary or earnings (Approx.): Beginning $26,000 per year; Ending $31,400 per year
Place of employment: City Richmond, State Virginia

Exact title of your position	Name of immediate supervisor	Area Code	Telephone Number	Number and kind of employees you supervised
Executive Assistant	J.F. Moore	804	786-2121	8 - Professionals

Kind of business or organization (manufacturing, accounting, social services, etc.)	If Federal service, civilian or military, series, grade or rank, and date of last promotion	Your reason for leaving
State Government/Natural Resources	N/A	Opportunity/Challenge

Description of work (Describe your specific duties, responsibilities and accomplishments in this job.) Served as director for all administrative, financial, and personnel and policy responsibilities; developed goals and objectives for overall Department; resolved inter- and intra- agency disputes; liaison with General Assembly and handled all legislative matters at both State and Federal levels. Primarily responsible for developing Virginia's Surface Mining and Reclamation Program.

For agency use (skill codes, etc.)

E

Name and address of employer's organization (include ZIP Code, if known)
Department of Conservation & Economic Development
1100 Washington Office Building
Richmond, Virginia 23219

Dates employed (give month and year): From 7/73 To 1/78
Average number of hours per week: 40
Salary or earnings (Approx.): Beginning $15,000 per year; Ending $26,000 per year
Place of employment: City Richmond, State Virginia

Exact title of your position	Name of immediate supervisor	Area Code	Telephone Number	Number and kind of employees you supervised
Programs Administrator/Supervisor	J.F. Moore	804	786-2121	3 - Professionals

Kind of business or organization (manufacturing, accounting, social services, etc.)	If Federal service, civilian or military, series, grade or rank, and date of last promotion	Your reason for leaving
State Govt/Natural Resources	N/A	Promotion

Description of work (Describe your specific duties, responsibilities and accomplishments in this job.)
Developed Departmental policy on various programs; responded to and provided guidance to various operating divisions; served as legislative liaison.

For agency use (skill codes, etc.)

F

Name and address of employer's organization (include ZIP Code, if known)
Department of Conservation & Economic Development
1100 Washington Office Building
Richmond, Virginia 23219

Dates employed (give month and year): From 5/71 To 7/73
Average number of hours per week: 40
Salary or earnings (Approx.): Beginning $9,000 per year; Ending $15,000 per year
Place of employment: City Richmond, State Virginia

Exact title of your position	Name of immediate supervisor	Area Code	Telephone Number	Number and kind of employees you supervised
Staff Assistant/Program Mgr	Marvin Sutherland	Deceased		1 - Professional

Kind of business or organization (manufacturing, accounting, social services, etc.)	If Federal service, civilian or military, series, grade or rank, and date of last promotion	Your reason for leaving
Government	N/A	Promotion

Description of work (Describe your specific duties, responsibilities and accomplishments in this job.)
Coordinated policy positions; served as liaison with various interest groups.

For agency use (skill codes, etc.)

G	Name and address of employer's organization (include ZIP Code, if known) Department of Conservation and Economic Development 1100 Washington Office Building Richmond, Virginia 23219	Dates employed (give month and year) From 6/69 To 5/71 Salary or earnings (Approx.) Beginning $1.50 per hour Ending $8,600 per year	Average number of hours per week Part-time Place of employment City Richmond, State Virginia
Exact title of your position Water Resources Technician	Name of immediate supervisor Robert McCloskey	Area Code Telephone Number Unknown	Number and kind of employees you supervised None
Kind of business or organization (manufacturing, accounting, social services, etc.) Government	If Federal service, civilian or military, series, grade or rank, and date of last promotion N/A		Your reason for leaving Promotion
Description of work (Describe your specific duties, responsibilities and accomplishments in this job.) Field analysis and program planning of water quantity resources in the State of Virginia.			
			For agency use (skill codes, etc.)

	Name and address of employer's organization (include ZIP Code, if known)	Dates employed (give month and year) From To Salary or earnings Beginning $ per Ending $ per	Average number of hours per week Place of employment City State
Exact title of your position	Name of immediate supervisor	Area Code Telephone Number	Number and kind of employees you supervised
Kind of business or organization (manufacturing, accounting, social services, etc.)	If Federal service, civilian or military, series, grade or rank, and date of last promotion		Your reason for leaving
Description of work (Describe your specific duties, responsibilities and accomplishments in this job.)			
			For agency use (skill codes, etc.)

	Name and address of employer's organization (include ZIP Code, if known)	Dates employed (give month and year) From To Salary or earnings Beginning $ per Ending $ per	Average number of hours per week Place of employment City State
Exact title of your position	Name of immediate supervisor	Area Code Telephone Number	Number and kind of employees you supervised
Kind of business or organization (manufacturing, accounting, social services, etc.)	If Federal service, civilian or military, series, grade or rank, and date of last promotion		Your reason for leaving
Description of work (Describe your specific duties, responsibilities and accomplishments in this job.)			
			For agency use (skill codes, etc.)

SF 171-A (rev. 12-77) Back

5

Attach Supplemental Sheets or Forms Here

22 A. Special qualifications and skills (work with machines, patents or inventions, your most important publications (do not submit copies unless requested), your public speaking and publicly held experience, membership in professional or scientific societies, etc.):

Government Executive - March 1983 - "Collecting Commercial Debts Through Private Sector Firms."

B. Kind of license or certificate (pilot, registered nurse, lawyer, radio operator, CPA, etc.): N/A

C. Latest license or certificate — Year: N/A; State or other licensing authority:

D. Approximate number of words per minute — Typing: N/A; Shorthand: N/A

23 A. Did you graduate from high school or will you graduate within the next nine months, or do you have a GED high school equivalency certificate?

Yes	Month and Year	No	Highest grade completed
x	June 1966		

B. Name and location (city, State and ZIP Code) of known high school attended: Halifax County High School, South Boston, Virginia

C. Name and location (city, State and ZIP Code) of known college or university (if you expect to graduate within nine months, give MONTH and YEAR you expect to receive your degree):

	Dates Attended		Years Completed		No. of Credits Completed		Type of Degree (e.g. B.S.)	Year of Degree
	From	To	Day	Night	Semester Hours	Quarter Hours		
University of Richmond, Richmond, VA	6/66	6/70	4		145		B.A.	1970
Virginia Commonwealth University	1/75	6/75	-		3		-	

D. Chief undergraduate college subjects:

	No. of Credits Completed: Semester Hours	Quarter Hours
Psychology	36	
Economic	9	

E. Chief graduate college subjects:

	No. of Credits Completed: Semester Hours	Quarter Hours
Management	3	

F. Major field of study at highest level of college work:

G. Other schools or training (for example, trade, vocational, Armed Forces or business). Give for each the name and location (city, State and ZIP Code), type of school, dates attended, subjects studied, number of classroom hours of instruction per week, certificate, and any other pertinent data:

N/A

24 Honors, awards, and fellowships received:

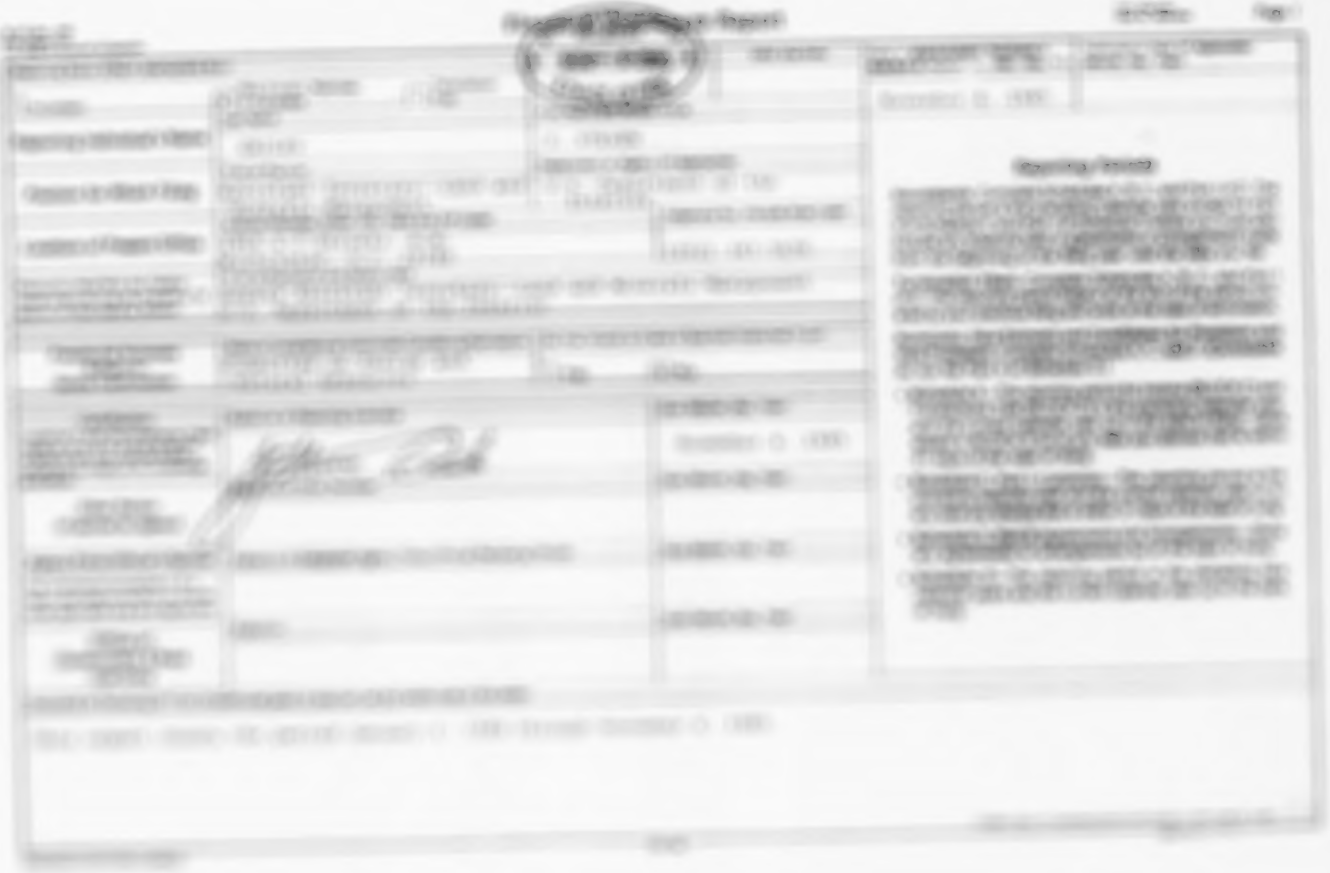
N/A

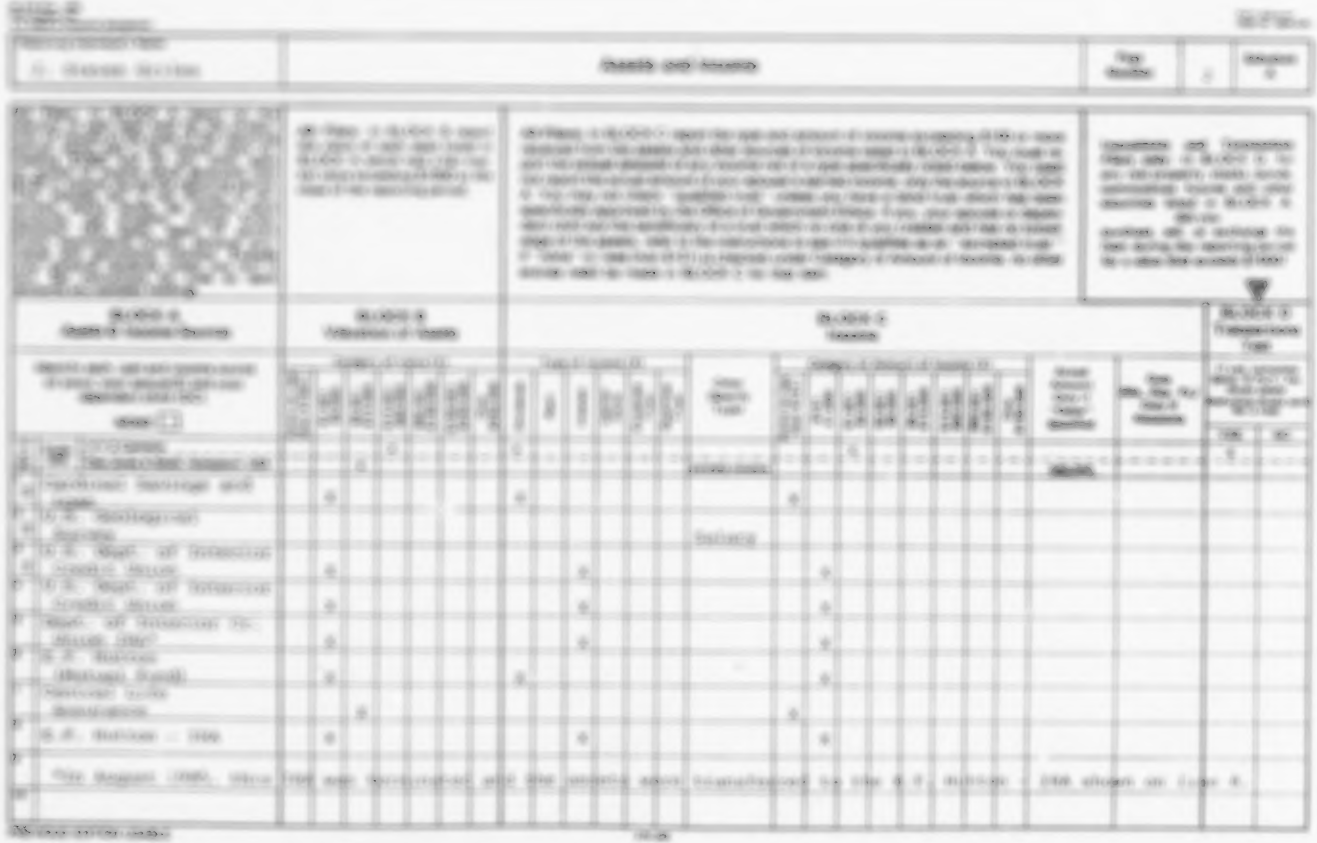
25 Languages other than English. List the languages (other than English) in which you are proficient and indicate your level of proficiency by putting an "x" in the appropriate box(es). Consideration for positions requiring communication ability in a language other than English may be given on an otherwise equivalent basis to the applicant who is proficient. Specify how you gained your language skills (e.g., formal training, "living abroad," "native speaker," etc.).

Name of Language(s)	Proficiency: Can Prepare and Deliver Lectures — Fluently	Can Prepare and Deliver Lectures — With Difficulty	Can Converse — Fluently	Can Converse — Passably	Can Read Technical Materials — Easily (e.g., journals)	Can Read Technical Materials — With Difficulty (e.g., journals)	Can Read Non-technical Materials — Easily (e.g., novels)	Can Read Non-technical Materials — With Difficulty (e.g., novels)
N/A								

26 Name persons (not those persons who are NOT related to you and who have definite knowledge of your qualifications and interest in the position for which you are applying. Do not repeat names of supervisors noted under item 21. Supervisors):

Full Name	Present Business or Home Address (Number, Street, City, State and ZIP Code)	Telephone Number (Include Area Code)	Business or Occupation
John L. Kilcullen, Esq.	1800 N St., NW - Suite 600N Washington, DC 20036	202-296-5700	Attorney
Al Hoskala	13415 Woodbriar Ridge Midlothian, VA 23113	804-744-1701	Geologist
William P. Clark	1031 Pine Street Paso Robles, CA 93446	805-131-1340	Consultant





Reporting Individual's Name	Assets and Income	Page Number		Schedule A
J. Joseph Grimm			1	

All Filers: In BLOCK A report all the asset(s) and source(s) of unearned income (e.g., interest, dividends, capital gains) that you, your spouse, or your dependent children (DC) received or had in your portfolio during the reporting period. This includes but is not limited to: employer equity stakes; tax shelters; bank accounts; real property, except personal residences; mutual funds; retirement plan assets; assets of certain trusts; commodities futures; personal businesses; and partnership entities. Exclude your personal residence unless you rent it out. See instructions for rules on spouse's and certain trusts' assets.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $200 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" or less than $201 is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Transactions and Terminations Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Source	BLOCK B Value of Asset	BLOCK C Income																				BLOCK D Transactions Yes/No
(Identify each asset and income source of yours, your spouse's, and your dependent child's (DC). NONE ☐	Category of Value (1)	Type of Income (2)							Other (Specify Type)	Category of Amount of Income (3)										Actual Amount (Only if "Other" Specified)	State (Use, Dist., Fed. Only if Necessary)	If any transactions listed in Part I for these assets (purchase, trade, sale) occurred during the reporting period, check here ▶
	None (or less than $1,001)	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $201)	$201-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$1,000,000	Over $1,000,000				YES	NO
1 Spouse DC																						
2 E.F. Hutton - IRA	X			X							X											
3 Multi-State Tax Exempt Trust-Virginia Series			X								X											
4																						
5																						
6																						
7																						
8																						
9																						
10																						

Reporting Individual's Name: J. Steven Griles

Page Number	4	Schedule B

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE ☐

ID #	Asset (Sch. A)	Identification of Assets	Type of Transaction (X)				Amount of Transaction (X)						
			Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000
1		-S V J Common	X			3/1/99			X				
2		NOT APPLICABLE											
3													
4													
5													
6													

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only:
Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. Exclude transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), exclude gifts from relatives and exclude gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE ☐

ID #	Source (Name and Address)	Brief Description	Value
0	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national car license 9/15/99	$600
	Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
1	NOT APPLICABLE		
2			
3			
4			
5			
6			

PREVIOUS EDITION USABLE

SF 278 Rev. 1/95
Filing Guide 731
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0007

Reporting Individual's Name

J. Stever Griles

Page Number	5	Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE [X]

		Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X) $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
S or DC	Examples:	First District Bank, Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	13%	26 yrs.			X		
S or DC	Examples:	John Jones, 123 J St., Washington, DC	Promissory note	1979	10%	on demand	X				
1											
2											
3											
4											
5											
6											

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE [X]

	Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example:	Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Home town, USA	7/75 partnership agmnt

PREVIOUS EDITION USABLE

278-169

SF 278 (Rev. 1/92)
Form Approved
OMB No. 3209-0002
Office of Personnel Management
U.S. Office of Personnel Management

Reporting Individual's Name
J. Steven Griles

Page Number	6	Schedule D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution.

Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE [X]

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/83	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/79	11/82

Part II
Compensation in Excess Of $5000
Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE [ ]

	Source (Name and Address)	Brief Description of Duties
Examples	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith), Hometown, USA	Legal services in connection with voluntary construction
	NONE OTHER THAN U.S. GOVERNMENT	

PREVIOUS EDITION USABLE

278-1/89

Attachment 3

I have not engaged in any lobbying activities in the past 10 years.

As an employee of the Virginia Department of Conservation and Economic Development, I testified before Congress, the Virginia General Assembly, and local governments on various State activities.

As Deputy Director in the Office of Surface Mining and as the Deputy Assistant Secretary--Land and Minerals Management, I have had occasion to testify before Committees of the Congress and met with various congressional staffs concerning Office of Surface Mining, Minerals Management Service and Bureau of Land Management related issues which I have overseen. There have not been other activities of the kinds described in this question.

Attachment 4

Potential conflicts of interest- Continued
5 and 6:

I do not believe any of my prior relationships pose the risk of an actual or potential conflict of interest with my official duties as Assistant Secretary for Land and Minerals Management. Nevertheless I am mindful of my responsibility to avoid even the appearance of a conflict of interest, and it is my personal desire to act in that manner.

In the event the Department of the Interior Ethics Counselor informs me that any of my prior relationships create an actual or potential conflict of interest with my duties as Assistant Secretary, or even the appearance of a conflict of interest with such duties, or in the event I draw such a conclusion myself, I shall consult with the Department Ethics Counselor and, in light thereof, then shall take such remedial steps as may be required by applicable statutes or regulations or which otherwise appear to me to be appropriate in the circumstances.

United States of America
Office of Government Ethics

Office of Personnel Management
P O Box 14108
Washington, D C 20044

MAY 13 [illegible]

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by J. Steven Griles, who has been nominated by President Reagan for the position of Assistant Secretary - Land and Minerals Management, United States Department of the Interior.

We have reviewed the report and have also obtained advice from the Department of the Interior concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Mr. Griles is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David H. Martin
DEC

David H. Martin
Director

Enclosure

NOV 8 1985

Mr. David H. Martin
Director, Office of Government Ethics
Office of Personnel Management
P. O. Box 14108
Washington, D.C. 20044

Dear Mr. Martin:

The enclosed financial disclosure report filed by Mr. J. Steven Griles, for the position of Assistant Secretary - Land and Minerals Management, U.S. Department of the Interior, has been reviewed in compliance with 5 CFR §734.604(a). In addition to the standard conflict of interest prohibitions in 18 U.S.C. §§201-209, the Assistant Secretary - Land and Minerals Management is also subject to several prohibitions that apply only to employees in our Department. These additional prohibitions are 18 U.S.C. §437; 30 U.S.C. §6; 30 U.S.C. §1211(f); 43 U.S.C. §11 and 43 U.S.C. §31(a). Except for 30 U.S.C. §1211(f), the provisions of each of these statutes are extended to the Assistant Secretary -Land and Minerals Management by Department regulations in 43 CFR Part 20. The provisions of 30 U.S.C. §1211(f) apply directly to all Federal employees, including the Assistant Secretary - Land and Minerals Management, U.S. Department of the Interior, who perform functions under the Surface Mining Control and Reclamation Act of 1977.

I have compared each reported interest to the provisions cited and I have determined that the information discloses no conflict of interest under the applicable statutes and regulations.

The E. F. Hutton Mutual Fund is a well diversified mutual fund which is managed by E. F. Hutton. The IRAs with E. F. Hutton consist of diversified stock portfolios. The Multi-State Tax Exempt Trust-Virginia Series, invests in various municipal bonds. These assets are all in compliance with applicable provisions and Mr. Griles does not personally manage any of these accounts.

My review of the other items reported by Mr. Griles reveals no problems with any applicable conflict of interest statutes or regulations. Please call me at 343-6182 should you have any questions.

Sincerely,

[Sgd.] Gerald R. Riso

Gerald R. Riso
Assistant Secretary (Designee)
Policy, Budget and Administration and
Designated Agency Ethics Official

Enclosure
cc:
Mr. Garrett, WH
Mr. Hill, CL
Mr. Griles, LM
Mr. Elliott, SOL/GL
bcc:
Chron
File

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

December 2, 1985

The Honorable James A. McClure
Chairman, Committee on Energy and
Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Pursuant to Section 201(b) of the Ethics in Government Act of 1978, as amended, I hereby certify and report that the information required by Section 202(a)(1)(A) with respect to earned income and honoraria, as set forth in my Financial Disclosure Report (SF-278) dated November 6, 1985, is current as of December 2, 1985. I further certify that I have transmitted copies of this report to the Office of Government Ethics.

J. Steven Griles

Washington)
District of Columbia)ss
)

Subscribed and sworn before me on this 2nd day of December, 1985.

Barbara Dickl
Notary Public

My commission expires: March 31, 1986

cc:
The Honorable J. Bennett Johnston

APPENDIX II

Responses to Additional Committee Questions From the Nominees

U.S. Department of Justice
Office of Legal Counsel

Office of the
Deputy Assistant Attorney General

Washington, D.C. 20530

DEC - 9 1985

Jim Beirne, Esquire
Senior Counsel
Committee on Energy and Natural
Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Beirne:

Herewith deliver to you the original and forty (40) copies of my responses for the record to the written questions submitted by various Senators in connection with the Committee's consideration of the President's nomination of me to be Solicitor, Department of the Interior.

Sincerely,

Ralph W. Tarr

Ralph W. Tarr
Deputy Assistant Attorney General

Enclosures

RESPONSE TO QUESTION FROM
SENATOR EVANS

The Department of the Interior has primary responsibility within the federal government for the protection of Indian treaty rights, including the authority and responsibility to interpret those rights. On September 21, 1983, Interior Solicitor William H. Coldiron issued an opinion advising that fishermen who are members of tribes that have established treaty rights are exempt from federal income tax on fishing income earned pursuant to those treaties. On March 12, 1985, Solicitor Frank Richardson issued an opinion coming to the same conclusion. Do you agree with these opinions?

On March 22, 1985, Interior Secretary Hodel wrote to Attorney General Meese requesting the Justice Department resolve a dispute between the Interior and Treasury Departments regarding the taxation on fishing income earned pursuant to Indian treaties. On May 15, 1985, representatives of the Lummi Indian Tribe met with Justice Department officials regarding this matter. They were informed the Department would review the conflicting opinions of the Interior and Treasury Departments and would complete its review shortly. On August 12, 1985, I wrote to Attorney General Meese requesting a prompt resolution of the dispute between the Departments of Interior and Treasury.

I understand that as Assistant Attorney General you have responsibility for reviewing this matter. Please inform me when you will complete your review.

ANSWER:

I have been advised that shortly after Assistant Attorney General Charles Cooper was confirmed and entered upon his duties in mid-November he met with representatives of the Lummi Indian Tribe about this matter. I have been advised further that the matter is currently under active consideration and that an opinion should be issued soon.

As I have not participated substantively in this matter and therefore have not undertaken any review of the specific facts or legal authorities involved, I am not in a position to express a conclusion regarding the opinions of Solicitors Coldiron and Richardson. Because this matter is currently under review by the Office of Legal Counsel and a decision appears to be forthcoming soon, if confirmed, I would not intend to express to that Office a view different from that already presented to date in the form of the opinions of previous Solicitors.

[illegible]

[illegible]

[illegible]

RESPONSE TO QUESTION FROM
SENATOR WALLOP

1. Mr. Tarr, you have lived a great deal of your life in the West and are surely familiar with an issue which gets the attention of those of us who represent arid western states -- water rights.

Last week, Judge Kane of the United States District Court in Colorado handed down a decision relating to the existence of federal water rights in designated wilderness areas. Though the scope of the suit was limited to wilderness areas in the State of Colorado, Judge Kane's decision may have far reaching implications for other states.

If confirmed, will you review Judge Kane's ruling and inform the Committee on the Department of the Interior's response to the decision?

ANSWER:

I am generally familiar with Judge Kane's decision from the reports in the press, but I have not had an opportunity to review and analyze the decision. Nevertheless, it is my understanding that the Department of the Interior was dismissed early in the proceedings and therefore was not a party to the suit when the decision was rendered. At the same time, it would appear that the decision could have a far reaching impact on matters within the responsibility of the Department. Therefore, if confirmed, I will personally review Judge Kane's ruling, and I will seek to participate in any discussions with the Department of Justice regarding a possible appeal by the government and the position to be taken in any such appeal. I would be pleased to keep the Committee informed of the government's position in the case, and my legal views regarding the implications of the decision for the Departmentof the Interior.

RESPONSE TO QUESTIONS FROM
SENATOR METZENBAUM

1. I wanted to clarify your answers to my questions regarding your future participation in matters involving the Westlands Water District.

a) Will you recuse yourself from any participation in the case Westlands Water District et al vs. United States of America (No. CV F-81-245-EDP)?

b) Will you recuse yourself from any involvement in any future litigation involving the Westlands Water District?

ANSWER:

(a) I am not familiar with the details of Westlands Water District et al. v. United States (No. CV F-81-245-EDP). Based upon press reports concerning the issues of that case, however, there would appear to be no legal, ethical, or personal reason that would require my recusal from participation in the case if I am confirmed as Solicitor. As suggested in my testimony, I have never represented the Westlands Water District, and more specifically, I have never, nor I have been advised has my former law firm, been an attorney of record on behalf of any party in the case.

(b) Any such determination must be made on a case-by-case basis. The only case concerning which I have already made such a determination is the one I discussed during my testimony: Pilibos v. Andrus (No. F-78-62-CIV). I have recused myself from that case since coming to the government and will continue to do so, because I was counsel of record for plaintiff Pilibos in that case.

I can assure the Committee that, if confirmed as Solicitor, I will be vigilant in satisfying my ethical responsibilities as a lawyer and as an employee of the federal government. I will seek the assistance and advice of the Designated Agency Ethics Official in the Department to resolve any uncertainty I may have about the propriety of my participating in a particular matter.

2. A September 21, 1984 report of the Inspector General concluded that the assignment of 16 unprofitable timber contracts by Bohemia, Inc., a corporation with substantial assets, to a subsidiary corporation without any assets, i.e. without any employees, inventory, or equipment could, in the event that the subsidiary corporation receiving the contracts defaults, cost the Bureau of Land Management $18 million.

It is my understanding that the federal regulation providing for the government to seek performance assurances in the event of an assignment was not invoked in this instance.?

Is the U.S. taking any legal steps to void the assignment of these $18 million worth of unprofitable contracts? If not, would you please explain why not?

ANSWER:

I have no personal knowledge of the issue raised in this question, but I have been advised by the Solicitor's Office that the Department is currently considering its options with regard to the matter of the Bohemia, Inc. contracts. Based upon the explanation of the circumstances set forth in this question, if confirmed as Solicitor I intend to review the facts of this matter carefully and determine available options to protect the interests of the United States.

3. The Roseburg Lumber Co. is in the midst of a significant corporate reorganization and transfer of assets. I am extremely concerned about whether the effect of the reorganization will be to permit Roseburg to avoid its obligation to perform on millions of board feet of contracts, causing a significant loss of revenue to the United States. What steps is the department taking through its Solicitor's Office to assure itself that these contract obligations will be met?

ANSWER:

I have no personal knowledge of the issue raised in this question, but I have been advised by the Solicitor's Office that it is actively investigating the facts of the Roseburg Lumber Company corporate reorganization to determine the effect of it on Roseburg's contract obligations to the government. Given the concerns expressed in this question, if confirmed as Solicitor I intend to review the facts of this matter carefully and determine available options to protect the interests of the United States.

RESPONSE TO ADDITIONAL QUESTIONS
FROM SENATOR METZENBAUM

1. Is it the policy of the department to aggressively pursue collection of contract damages or other claims owing to the government [as required by the 1982 Debt Collection Act and Federal Claims Collection Standards promulgated pursuant thereto]?

ANSWER:

My understanding is that the Administration is committed to pursuing aggressively collection of claims owed to the government. The Department has advised me that it has established procedures to carry out this policy.

2. Would it be your position that a transfer of assets to escape contract liabilities constitute a present fraud against the government?

ANSWER:

The answer to this question would depend upon the facts and circumstances of a particular matter. As an abstract proposition, the law does provide remedies to creditors in appropriate circumstances for transfers of assets by debtors, especially corporations, which in the particular circumstances are determined by the court to have been "transfers in fraud of creditors."

3. Is the department doing anything now to protect against these potential uncollectible claims against Roseburg?

ANSWER:

The Solicitor's Office has informed me that the Roseburg Lumber Company corporate reorganization is currently under active investigation as to the facts of the transactions referred to in this question, in order to determine the exposure of the government and the available options to protect the interests of the United States.

4. How does the department intend to pursue collection of these amounts?

ANSWER:

According to the Solicitor's Office, Roseburg Lumber Company is not currently in default on any of its contracts with the government and therefore collection proceedings at this time would be premature.

5. Is the department taking any action to prevent the government from being exposed to similar risks as a result of other timber purchasers reorganizing?

ANSWER:

The Department has advised me that if it became aware of corporate reorganizations or assignments of contracts that exposed the government to risk of default by timber purchasers, it would undertake to discover the facts and circumstances in order to determine the extent of the government's exposure and the available options to protect the interests of the United States.

I am not aware of any actions being taken by the Department regarding this issue in addition to those discussed in these answers.

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

DEC 6 1985

Honorable James A. McClure
Chairman, Committee on
Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed are responses to the questions submitted for the record following my December 4, 1985, confirmation hearing for the position of Assistant Secretary for Land and Minerals Management, Department of the Interior.

In addition to these responses, I have also enclosed information requested during the hearing by Senators Nickles and Metzenbaum.

Thank you for the opportunity to provide this material for the Committee's consideration.

Sincerely,

J. Steven Griles
Deputy Assistant Secretary -
Land and Minerals Management

QUESTIONS SUBMITTED BY SENATOR MCCLURE

McClure #1

Q. In your statement, you state you want to listen to all points of view to assure that you "receive the best possible advice and increase the prospect for finding workable solutions." Secretary Hodel has appointed you one of his chief negotiators for discussions with the California delegation on OCS moratoria. What do you see as your mission in these negotiations?

A. I see my mission in these negotiations to be severalfold. I believe it is my responsibility to present the Departmental perspective on the role we see for the California OCS in the overall national program of OCS development. Secondly, it will be my job to marshall the extensive data and other information resources of the Department and make them available to the other negotiators so that any final agreement is based on the best available information and understanding of the issues at hand. Finally, I will listen carefully to gain a better understanding of the positions of others, evaluate those positions and, where appropriate, make recommendations to the Secretary.

McClure #2

Q. One of the stated goals of the Department of Interior is to improve the federal government's relationship with state and local governments, yet many states have complained, both in the public press and in litigation that the Department has ignored states' concerns over OCS leasing. How do you propose to address this problem?

A. The record of the past 2 years while I have been involved with the OCS program is a positive one. With the exception of the 8(g) issue, litigation was filed by only one State to enjoin a sale. This is out of nine sales involving fourteen States.

In the future, I plan to continue the practice of an open door policy and early consultation with representatives of State and local governments, as well as representatives of all other constituent groups. While I cannot promise all decisions will fully satisfy these different groups, I am committed to ensuring an honest, open, and continuing exchange of information and of views, and to assuring consideration of the positions of State and local government.

57-309 O—86——5

McClure #3

Q. In your view, do moratoria on OCS leasing enhance "America's ability to meet our energy and mineral needs with domestic resources?" If not, why is the Department, through your negotiations, pursuing this course?

A. OCS moratoria do not enhance our ability to meet our energy needs for they have blocked exploration of OCS resources in much of California for the last 4 years. However, we do not believe negotiations are the same as "pursuing . . . [a] course" of moratoria. What the Department is trying to accomplish through negotiations is to seek consensus on these complex, divisive issues. If that occurs, we will be able to resume, without threat of moratoria, the exploration and development of the prospective areas offshore California in an orderly and environmentally sound manner.

McClure #4

Q. What is your perspective on efforts to revise Section 19 of the OCS Lands Act Amendments of 1978?

A. Section 19 provides a strong role for States in leasing and development decisions on the OCS but retains the necessary principle that this is a national program that must strongly consider national interests. Current efforts to revise section 19 try to shift this balance and in effect create a State veto. This would not be in the national interest.

McClure #5

Q. Please advise the Committee of the status of inventorying lands being developed, or that have been developed, under the 2-acre exemption of SMCRA. What specific actions are being taken to mitigate against abuses under this exemption?

A. OSM special task forces have completed inventories of 2-acre surface coal mining operations in Virginia, Kentucky, and Tennessee. OSM has completed inspections of all 2-acre mining operations in Tennessee. OSM has commenced inspections of initial regulatory program sites in Virginia and is conducting major oversight of Kentucky's permanent regulatory program enforcement. In both Virginia and Tennessee, OSM is taking direct enforcement action. OSM is taking significant oversight enforcement in Kentucky. To mitigate abuse of the exemption, OSM will focus upon major abuses of the 2-acre exemption and will strictly enforce current regulations designed to curb abuse of the exemption.

McClure #6

Q: During your testimony, your role at the Office of Surface Mining (OSM) was called into question. Didn't OSM have a number of significant accomplishments during your tenure as Deputy Director and since that time? What were some of these accomplishments and what role have you played?

A: I believe that OSM has had several notable accomplishments since 1981. Major improvements have been made in the State and Federal regulatory programs, regulatory reform, enforcement, the AML program, and the administration of the agency.

State and Federal Regulatory Programs

In early 1981, more than three years after the creation of OSM, only 12 percent of the coal mines in the country were subject to the full requirements of the Surface Mining Act's permanent program. 88 percent were still under the weaker interim program standards. By the end of my tenure at OSM in 1983, all coal mines in the major coal producing States were subject to the more stringent requirements of the law by virtue of approval of State programs for those States.

In a number of instances, the State programs were approved subject to conditions. Since 1981, the States have met 272 of the 296 conditions imposed, thus assuring that national standards are incorporated in State programs and imposed on all mining operations.

Another important accomplishment is the approval of seven cooperative agreements for the regulation and control of surface coal mining by States on Federal lands within those States' borders. No cooperative agreements existed prior to 1981. These agreements minimize duplication of State

and Federal regulatory efforts and provide uniformity in the areas of intermingled State, Federal and private land ownership.

Another significant accomplishment was the implementation of Federal programs for nine States which did not choose to implement State programs, but which do have coal reserves. This major policy decision and accomplishment assures the public that all coal mining is controlled under SMCRA and provides full knowledge to the private sector of the regulatory requirements for coal mining. OSM has also promulgated a Federal program for Tennessee and taken direct responsibility for enforcement of part of the Oklahoma State program. These actions have proved that this Administration will require primacy States to enforce the law.

Regulatory Reform

In 1981, a regulatory rewrite was undertaken, partly as a result of rulings in litigation over OSM's 1979 regulations. Under these earlier rulings, a substantial number of regulations had been remanded by Judge Flannery, and many others were voluntarily withdrawn. The regulatory gaps which resulted had to be filled. In other instances, the 1979 rules were too rigid and burdensome and did not recognize important differences among the various regions and States where coal is mined.

The success of this effort is evident in that the more than two-thirds of the rule changes adopted in 1983 form a vital part of OSM's regulatory program and remain in place today. Many of these gave the States more involvement and flexibility in designing and administering their regulatory programs, thus carrying out Congress' stated aim to establish a national

program that could be tailored to particular local conditions. Other changes curbed program abuses such as those associated with the two-acre exemption. These, too, remain in effect today. In addition, a number of standards adopted by OSM were more workable than their predecessors, benefitting OSM, the States, coal operators and the environment.

Enforcement

When I arrived at OSM in 1981, I found numerous problems. Enforcement records were in shambles. For example, no policy existed for assessing, processing or collecting the "megabuck" enforcement cases. All of the "megabuck" violations were issued between 1977 and 1980; they now total as much as one-third of the total outstanding debt of OSM. In addition, the "megabuck" enforcement cases and other violations resulting in huge civil penalties owed to the agency were written in confusing and inconsistent ways, and the records were disorganized and located haphazardly in regional offices and the Washington office.

Since that time, subetantial progress has been made in the management of OSM's enforcement responsibilities. In 1982, OSM adopted a rule authorizing the agency to issue an immediate cessation order to coal mine operations mining without a permit. These operations are better known as "wildcat" mines. Prior to adoption of that rule, OSM had to go through the long administrative process of issuing a notice of violation before issuing a cessation order.

In 1982, I established a task force and hired a criminal investigator to address wildcat mining. Through that effort, we provided expert advice

and personnel to key Kentucky State officials. Our efforts led to the indictment of 12 illegal operators and the confiscation of more than $900,000 in equipment from illegal operators.

Also in 1982, I assisted in drafting a rule to limit the scope of the two-acre exemption so as to curb that abuse. That rule was successfully defended in litigation which resulted in a landmark Court of Appeals decision preserving OSM's entire regulatory scheme controlling abuses of the two-acre exemption. In 1985, although I was not then directly responsible for OSM, I recommended to the Secretary settlement of the two-acre exemption litigation. That agreement established a rational method for correcting the environmental degradation caused by two-acre abuses, so that we were able to avoid the possible necessity of opening up SMCRA to amendment.

In 1984, although, again, I was not directly responsible for OSM, I recommended to the Secretary settlement of the "Parker" and "Gasch" "megabucks" cases. As a result of those settlements, it is my understanding that OSM has prioritized its enforcement efforts by first pursuing those who are responsible for correcting unabated cessation orders. These gross abusers and all operators who owe civil penalty or abandoned mine land fees are being placed on a computerized list, which OSM will use to prevent those persons from obtaining surface mining permits until they have corrected previous violations and paid the fees or penalties. In addition, OSM is also pursuing injunctive actions and some criminal prosecutions against those who appear to have adequate resources to correct violations. Moreover, OSM is promulgating several crucial enforcement-related rules, including rules concerning permit conditions, individual civil penalties, and the definition

of "ownership and control." Additionally, OSM entered into a Memorandum of Understanding with the Tennessee Valley Authority (TVA) under which TVA has agreed not to purchase coal from mine operators who fail to abate violations.

Abandoned Mine Lands (AML)

In order to begin immediate correction of the past abuses of surface mining, we established a process in 1981 to shorten the time for approval of State AML programs. Prior to that time, the AML program was virtually non-existent. Since that time, OSM has awarded almost $750 million in AML grants to the States. 85 percent of all emergency AML projects have been started since 1980.

Another accomplishment was the development and approval of the Centralia mine fire project. That project has resulted in 175 homeowners being relocated. 167 more have gone through closing procedures which will assure their personal safety and, hopefully, a better future.

Administration

In 1982, OSM entered into what I believe to be the first contract in the Federal government under the Debt Collection Act for debt collection by a private contractor. This contract was intended to supplement OSM's workforce with private sector experts and to provide information on companies to maximize our ability to collect overdue AML funds.

In 1981, the Secretary authorized the establishment of a network of 13 State liaison officers and two technical centers to replace cumbersome

regional operations. Since each State primacy program is unique and requires specialized knowledge and understanding of local and regional conditions, this realignment allowed OSM to have top agency officials and staff in each major coal-producing State -- not only to provide State assistance, but also to assure proper enforcement of the Act.

In 1982, OSM assumed control over its own accounting systems and operations. Prior to that time, another Federal agency had provided those services. During 1981, I discovered that the accounting information being generated was inaccurate and outdated. The new system corrected these problems. In 1984, OSM implemented the Treasury electronic funds transfer system for letter of credit payments, reducing State needs for cash on hand. OSM now also operates this service for two other Bureaus with grants programs.

QUESTIONS SUBMITTED BY SENATOR DOMENICI

Domenici #1

Q. In reviewing your November 8th written statement before the Senate Energy and Natural Resources Committee, I was concerned about your comments and commitment to enacting Section 2(c) legislation. In your testimony you raised additional items which Interior must study relative to leasing to the railroads. Many of these areas are already responsibilities of other agencies of government. The Department of the Interior for many years, and through many Administrations, has always strongly supported repealing Section 2(c).

I would like to know of your personal commitment, as well as that of the Interior Department, to assist this Committee's effort to enact 2(c) legislation.

A. As I stated on November 8th before the Senate subcommittee on Natural Resource Development and Production of the Committee on Energy and Natural Resources, the Department is willing to work with all parties to resolve the 2(c)issue. I reaffirm that commitment and give you my personal assurance to assist the committee's effort to have the needed 2(c) legislation enacted.

QUESTIONS SUBMITTED BY SENATOR WARNER

Warner #1

Q. What is your position with respect to 2(c) of the Mineral Lands Leasing Act?

A. As I stated in my testimony on November 8, I believe that modification of section 2(c), consistent with the conclusions of the Linowes Commission, is desirable. At the November 8 hearing, I expressed the opinion that cooperative leasing, including sharing of coal data on the tracts in question, should be the method of leasing by a railroad in its checkerboard area. I also stated that railroads should be free to compete for coal leases without any restrictions on any Federal tracts outside the area they service.

Warner #2

Q: There has been extensive work on the part of the House on Simultaneous Oil and Gas Leasing (SIMO) legislation. Could you please update the Committee on your involvement with SIMO and do you have intentions of requesting the Secretary to send up legislation that would restructure the onshore oil and gas leasing system?

A: In 1985 the Secretary requested the Under Secretary to chair a Departmental task force on which I serve to review the existing provisions of the Mineral Leasing Act of 1920 and to develop alternatives to the current leasing system for his consideration. I also have been working closely with both House and Senate Committee staffs to provide technical and analytical support and to discuss the various alternatives under review by interested parties.

I intend to continue to work with the staffs of the Committees and with individual members and am confident a proposal can be developed that will address the concerns of most parties. In view of the progress being made, it is not my intention at this time to recommend that an Administration Bill be sent to Congress.

Warner #3

Q. In the draft Office of Surface Mining (OSM) action plan issued on November 25, 1985, and I emphasize draft, a buyer blocking proposal was proposed which would allow the Department to issue a "blacklist," if you will, that will be sent to government agencies and ultimately to electric utilities, urging them not to do business with coal companies that have failed to remedy outstanding reclamation violations or those who have failed to pay abandoned mine funds under the Surface Mining Act. Would you please provide the Committee with your view of this proposal? Do you believe that such an action would be cost-effective?

A. My views are that the proposal has merit and deserves further consideration. Some concerns have been expressed about the idea and these must be examined. Of course, the accuracy of any list of violators is essential to preserve its integrity as a reference tool for buyers. How cost-effective this proposal will be as a tool to deter violation of the Surface Mining Act will be determined as it is further considered and developed.

Warner #4

Q. Royalty Management has had some problems in the past with their data systems which has inhibited efficient royalty collection by the Department. Will you please briefly comment on the new Management Action Plan for the Royalty Management Program and how this will remedy the inadequate data collection systems previously in place at the department? In your view, how will consolidating the software for the Royalty Management Program to Lakewood, Colorado enhance the royalty collection system?

A. The Management Action Plan commits the Department to install the royalty collection and accounting system on a mainframe computer, to validate the reference data in the accounting systems, and to provide for on-line State and Tribal access to the information in the systems. Conversion of the royalty collection and accounting system to the mainframe computer is currently underway and will be completed next fall. The system currently operates inefficiently because of very serious hardware limitations. Conversion will result in a more efficient operation and will ease substantially the job of making improvements to the system. The data validation has been underway for over a year now and has already paid off handsomely in resolving payment distribution problems. On-line data access will assist States and Tribes in understanding the basis for their receipts.

All accounting systems software was consolidated onto MMS computers in Lakewood, Colorado, between 1981 and 1984.

The Royalty Management Program's headquarters staff was recently consolidated with the majority of its field operations at the program's accounting center in Lakewood, Colorado. This change was made to allow for greater focus on management of the program, to improve organizational communications and accountability, and to place Royalty Management decisionmakers closer to States, Indians, and the energy industry.

QUESTIONS SUBMITTED BY SENATOR JOHNSTON

Johnston #1

Q. The advanced draft of the "Plan for Action, Office of Surface Mining Reclamation and Enforcement, 1986-1987" released last week, states, and I quote:

> Partially due to its managerial and organizational problems, OSMRE (The Office of Surface Mining Reclamation and Enforcement) has had great difficulty in achieving consensus to support its mission. A haphazard and often chaotic approach to policy formulation and management within the agency, together with an uneven and often contradictory approach to responding to its critics, has caused OSMRE (The Office of Surface Mining Reclamation and Enforcement) to tend toward a balkanized and defensive posture in the policymaking and regulatory arena.

You held the positions of Assistant Director and then Deputy Director at the Office of Surface Mining ("OSM") from March 1981 to September 1983. As Deputy Assistant Secretary for Land and Minerals Management and then Acting Assistant Secretary for Land and Minerals Management from September 1983, to the present, you have been involved in directing and supervising OSM. Do you agree with the OSM report that during your tenure OSM has had:

(a) A "haphazard and often chaotic approach to policy formulation and management?"

(b) An "uneven and often contradictory approach to responding to its critics?"

(c) A "balkanized and defensive posture in the policymaking and regulatory arena?"

- o Who is responsible for this?
- o Don't you think that you must be held at least partially accountable?

A. Evaluation of the problems at OSM is only possible in the context of the history of the agency and nature of the Surface Mining Act. The Act is one of the most complex, technical, and detailed environmental statutes ever enacted. In addition, the Act establishes an evolving role for OSM. During the interim program, OSM was the primary enforcement authority under the Act. In that role a large group of Federal inspectors

and technical personnel had to be organized and trained. At the same time, the new agency was working with coal mining States to develop programs so that the States could assume the primary regulatory role Congress intended. Most of OSM's uncollected civil penalties and uncorrected violations occurred during this period. States began to assume primacy near the end of the last Administration. When the new Administration came in we continued to enforce the standards of the Act, yet additional priorities were thrust upon us. These included: continuing to assist the States with developing programs; reviewing and approving programs so that the States could assume primacy; and filling the gaps and correcting the problems with OSM's regulatory program. We also established an abandoned mine land (AML) program.

I found numerous problems upon my arrival at OSM in 1981. Enforcement records were a shambles. For example, there was no policy on assessing, processing, or collecting the "Megabuck" enforcement cases in 1981 which now total as much as one-third of the outstanding debt of OSM. Also, these "Megabuck" enforcement cases and other violations resulting in huge civil penalties owed to the agency were written in confusing and inconsistent ways, the records disorganized, and located haphazardly in regional offices and Washington, D.C.

It was not OSM, but the surface mining community--including property owners, the States, environmental groups, and mine operators--that were balkanized at this time. All were concerned with the content of State

programs and the transition of enforcement responsibility. Given the intensity of the demands it has been impossible to satisfy any faction.

In the positions in which I have served from 1981 to mid-1983, I attempted to provide leadership and direction to the agency through this difficult period of transition. I developed coherent priorities for the agency so that it could focus upon the most pressing problems at hand.

Q. What, if anything, do you think is wrong at OSM?

A. I am certainly aware that OSM has been the subject of harsh criticism from its inception to the present. I believe that much of this criticism has been the result of the changing role of the agency, combined with the recent lack of permanent leadership. OSM now needs consistent leadership to solve the major problem of balancing the obligation to help the States enforce the Act and assuring compliance with the Act through direct enforcement. There are many other problems at OSM. However, the agency is now in its mature role under the Act. Many of the problems have been identified and defined by management, by constituent groups, Congressional reports, and other studies. The draft Management Action Plan currently being circulated for comment is meant to be a compilation of these problems, and I believe that it will provide a key to identifying solutions. I believe that solutions can be found. I am committed personally to finding those solutions and developing a consensus among the constituent groups to make OSM's implementation of SMCRA a success.

Johnston #3

Q. Where do you think the program needs to be strengthened?

A. Many of the OSM program areas need to be strengthened. Some examples include: strengthening the conference process to promote earlier abatement of violations and collection of penalties; developing expanded technical training capabilities; resolving the AML apportionment issue; implementing creative alternatives to deal with the present crisis in bonding; and improving ADP management in the office. I believe that slow progress in some of these areas resulted from the lack of permanent leadership in the agency over the past 2 years and that the sound management now in place at OSM will resolve the agency's problems. I am committed to help solve those problems.

Johnston #4

Q. What role did you have in the development of the OSM Management Plan?

A. I did not participate in the day-to-day preparation of the plan, but I did provide general advice to the Secretary. I reviewed the document and recommended to the Secretary that the plan be circulated for public review and comment.

Johnston #5

Q. Do you concur with the proposals for program management contained in the Plan?

A. As I understand it, the draft Management Action Plan contains a number of wide-ranging proposals which attempt to reach consensus on some of the complex issues the agency faces. I agree with that goal. At this time I do not disagree with the basic concepts contained in the advance draft Plan. Several questions have been raised by several different interests. There will be a significant amount of debate, compromise and refinement prior to, and while, the Plan is being implemented.

Johnston #5(1)

Q. The Plan speaks of a "Federal/State relationship for oversight that is one of effective, continuing cooperation subject to individual fine tuning to deal with specific local or regional circumstances," what steps will OSM take to ensure that Federal oversight is aggressive and in conformity with the requirements of SMCRA?

A. OSM intends to enforce the requirements of SMCRA consistent with the statutory findings that the States with primacy shall assume primary regulatory responsibility for enforcing the Act. The Surface Mining Act states that the regulation of surface coal mining operations must account for the diversity in terrain, climate, and other local conditions. The draft Management Action Plan proposes to vest additional authority and responsibility with the OSM field offices to work with the States to ensure that SMCRA is enforced. The plan also outlines several additional incentives for the States to improve and maintain effective regulatory programs. OSM will continue to do oversight of State programs including permit reviews and inspections and do annual reports on its findings.

Johnston #5(2)

Q. The Management Action Plan also provides that mine plan reviews be decentralized to the field with the next level of appeal to the Federal Courts. What is the rationale for this?

A. It is my understanding that the premise for decentralization of mining plan reviews, as proposed in the draft Management Action Plan, is to eliminate reviews of the mining plans in Washington which are duplicative of reviews performed by field personnel at OSM's Technical Centers. The premise for decentralization will save time and enable OSM to redirect valuable resources to other program areas. Currently, Assistant Secretary approval of mining plans is directly reviewable in Federal Courts. Thus the forum for judicial review would not change under the draft Management Action Plan proposal. Whether decentralization will ultimately result in the elimination of duplication in mine plan review is a subject that will be discussed further in the Draft Management Action Plan review process.

Johnston #6

Q. Last month, the National Wildlife Federation issued a report entitled "Failed Oversight - A Report on the Failure of the Office of Surface Mining to enforce the Federal Surface Mining Control and Reclamation Act." That report states that : (1) at least 6,000 mine sites have been mined without the environmental controls required by SMCRA; (2) in over 2,000 of the approximately 4,000 situations in which coal operators received orders to cease illegal mining activities from 1979 to 1983, the operators successfully ignored those orders; and (3) OSM has failed to collect approximately $200 million in fines owed by law-breaking coal operators. Are you familiar with the contents and recommendations of the report?

Would you care to comment on the report?

A. I am generally familiar with the contents and recommendations of the report. The Report discusses a number of problems and contains some sound suggestions which merit further consideration. The Report does commend the Department's negotiation of settlement agreements in the "Parker" and "2-acre" cases as major steps in stemming the abuses to which you refer. I have been concerned by these problems throughout my association with OSM. More recently, when my advice was specifically requested, I recommended these settlements to Secretary Hodel. I am committed to seeing that the terms of the settlements are met and that steps are taken to curb the other abuses.

Johnston #7

Q. In its October 1985 report, "Failed Oversight - A Report on the Failure of the Office of Surface Mining to Enforce the Federal Surface Mining Control and Reclamation Act," the National Wildlife Federation highlights the 2-acre exemption as one of the worst areas of abuse and evasion of SMCRA. Do you agree?

o What steps do you intend to take to rectify the situation?

A. I agree with the observation that the 2-acre exemption is an abused provision of the Surface Mining Act. I have led the effort to curb this abuse through adoption of regulatory changes in 1982 which sharply limited the scope of the exemption. More recently, when my advice was specifically requested, I recommended to Secretary Hodel the settlement of litigation through an agreement which establishes a rational method for correcting the 2-acre abuse which occurred while the Department's enforcement activity was stymied by Federal Court injunctions. If confirmed, I will ensure that OSM fully and promptly implements this settlement agreement.

I do not believe that amending SMCRA simply to eliminate the 2-acre exemption should be considered. The risk of a large number of other amendments being offered and creating other problems is too great. Therefore, if confirmed, I will work with OSM, the Governors and legislatures of the affected States in an attempt to prevent abuse of the 2-acre exemption.

Johnston #8

Q. A June 6, 1982, Washington Post article quoted Secretary Watt as stating that OSM was a "bureaucratic nightmare ... more designed to obstruct coal production than to further the cause of reclamation." Would you agree with that description of the pre-Watt OSM?

A. I am not aware of the context in which the former Secretary made the alleged statement. However, in my position with the Commonwealth of Virginia prior to 1981, I observed OSM's dealings with the States. During that period, OSM was either unwilling or unable to accommodate the various States' suggestions, concerns, and unique differences. The phrase may not be one I would have used to describe the situation, but I do know that the agency was not performing effectively in the years preceding 1981.

Johnston #9

Q. As you know, Secretary Watt initiated massive reforms at OSM, including revision of the program regulations. What is your opinion of these Watt initiatives?

A. I believe the regulatory reform initiatives were necessary since they were undertaken in response to serious problems in the regulatory program of OSM. A large number of regulations had been remanded by the courts in the course of litigation over the original permanent program rules. In addition, many rules had been withdrawn voluntarily by OSM. Further, other regulations needed revision to recognize the diversity of terrain, climate, biologic, chemical, and other physical conditions of the more than 25 States in which coal is produced. Regulatory reform was also an attempt to make the OSM regulations more understandable.

Johnston #10

Q. Weren't you supportive of unsuccessful litigation seeking to declare SMCRA unconstitutional?

- o Why, then, should we support your nomination to a post where you are responsible for administering that Act?
- o Are we to understand that your previous views regarding the constitutionality of SMCRA will in no way impede or influence your administration of that Act?

A. In 1978 a Federal judge in Virginia issued a preliminary injunction, at the request of the coal industry, holding that certain provisions of the Surface Mining Act violated the Tenth Amendment to the Constitution. The Governor of Virginia decided to intervene in the case to vindicate the States rights issues involved. The Commonwealth's decision to intervene was made by the Governor and Attorney General. Once that policy decision was made, both the Governor and the Attorney General requested that I provide technical assistance to the Assistant Attorney General in addressing these issues, which I did. The Supreme Court has unanimously upheld the constitutionality of the Surface Mining Act. If confirmed, I will fully support the Congressional purpose of imposing and strongly enforcing nationwide standards because I believe these objectives will prevent the recurrence of many environmental and property abuses of the past.

Johnston #11

Q. What was your role in the "reorganization" of OSM, initiated in 1981?

o Did you initiate the reorganization?

A. In 1980, OSM's top managers in the previous Administration initiated a study to determine the future organizational structure of the agency as OSM's mission changed from enforcing the initial program to overseeing State regulatory authorities. In 1981, a select group of managers from various sections of the agency under my direction reviewed that report and recommended certain options for reorganization. I reviewed the report, made suggested changes, and made my recommendation to the Secretary. The Secretary considered these options and my recommendations before making a decision.

Johnston #12

Q. Congresswoman Pat Schroeder in a letter to Secretary Watt dated October 28, 1982, claimed that as a result of the 1981 reorganization, approximately 50 percent of OSM's experienced personnel left the agency within a year and a half by way of terminations, resignations, and transfers out of the agency. Though some of these positions have been refilled, critics claim that this has left OSM inexperienced, understaffed, demoralized, and has been centrally responsible for many of OSM's problems today. In light of these facts, how do you justify the reorganization?

Did you intend that it would cause such a turnover in experienced staff?

Under the circumstances, do you think any organization or business could continue to operate efficiently if it turned over half of its staff in a year and a half?

A. The conclusions drawn by Congresswoman Schroeder, which dealt primarily with the location of the Western Technical Center, were based on erroneous information. The reorganization was intended to consolidate and strengthen OSM's technical expertise in two technical centers as States gradually assumed primacy and OSM's staffing needs changed. The reorganization was not intended to cause a turnover in experienced staff. The overall reduction in staff nationwide in 1981 and 1982 was approximately 25 percent and was consistent with the changing mission and staff requirements.

Most of the decrease was in the inspector ranks where the Federal workload for statistical sampling under primacy was substantially less than the interim Federal program requirement to inspect every mine twice a year. All OSM employees affected by the staff reduction and reorganization who desired to stay with OSM were given the opportunity to transfer to another position in the agency. During the reorganization, technical services personnel from the original Western region were maintained in Denver and augmented by the transfer of additional technical personnel from other regional offices to the new Technical Center.

In a September 1981 review, conducted at Chairman Udall's request, the General Accounting Office estimated the reorganization would save the government at least $6 million in recurring costs. In retrospect, I believe that the reorganization did save the Government considerable expense and also considerably enhanced its efficiency of the agency in its oversight of States programs.

Johnston #13

Q. In a June 6, 1982, article, the Washington Post quoted you as saying: "We tore this agency to hell. Now we have to build it back up."

In your view, have you succeeded in rebuilding OSM, particularly given the recognition of pervasive management problems in the recent OSM Draft Management Action Plan?

A. I never made such a statement. In response to your question, new structure and management initiatives were put into place as OSM moved from enforcing the initial program to overseeing the States. I believe that those initiatives were an important first step in assuring a stable and effective program. The absence of permanent leadership since 1983 has deprived the agency of the strong managerial structure necessary to finish this important transition.

Johnston #14

Q. Is OSM now effectively enforcing the provisions of the Surface Mining Control and Reclamation Act with respect to all current violators?

A. It is my understanding that OSM has prioritized its enforcement efforts by first pursuing those who are responsible for correcting unabated cessation orders. These gruss abusers and all operators who owe civil penalties or abandoned mine lands fees are being placed on a computerized list, which OSM will use to prevent those persons from obtaining surface mining permits until they correct all their violations and pay the associated penalties. In addition, OSM is also pursuing injunction actions and some criminal prosecutions against those who appear to have adequate resources to correct violations. Moreover, OSM is promulgating several crucial enforcement-related rules, including those concerning permit conditions, individual civil penalties and the definition of "ownership and control." Currently, OSM has a Memorandum of Understanding with the Tennessee Valley Authority (TVA) under which TVA has agreed to not purchase coal from mine operators who fail to abate violations.

Johnston #15

Q. I understand that the Department of the Interior is currently reviewing the Simultaneous Oil and Gas Leasing Program (SIMO) and alternatives to that Program. What has been your involvement in this process?

A. In 1985 the Secretary requested the Under Secretary to chair a Departmental task force on which I serve to review the existing provisions of the Mineral Leasing Act of 1920 and to develop alternatives to the current leasing system for his consideration. I have also been working closely with both House and Senate Committee staffs to provide technical and analytical support and to discuss the various alternatives under review by interested parties.

Johnston #16

Q. Do you think that the SIMO Program should be changed? If so, how?

A. I believe that the current leasing program which depends upon geological interpretation as the sole factor to determine which lands are leased competitively is in need of change. I would support a leasing program that has a market based orientation -- one which leases valuable parcels, as valued by the marketplace, competitively but leaves less valuable lands for an active noncompetitive leasing process.

Johnston #17

Q. Do you support a two-tier onshore leasing system that would offer all leases competitively in a first round and then offer any remaining leases in a second competitive round under different terms, with unleased tracts from those rounds then being offered in a noncompetitive lottery?

A. I support a leasing system that offers leases competitively in only the first round. I believe that a second competitive round is redundant because the market should have made all the appropriate calculations in the first place. I strongly support the use of a noncompetitive system to lease those tracts which are not leased competitively in the initial round.

Johnston #18

Q. Several Senators on this side have submitted questions for the record as a result of the November 8, 1985, hearing on Federal Coal Leasing. Would you please expedite responses to those questions and provide us with a date by which we can expect to receive the responses?

A. I will expedite the response to those questions, and it is my desire that they will be delivered to the Committee before the close of this session of Congress.

QUESTIONS SUBMITTED BY SENATOR BUMPERS

Bumpers #1

Q. Last month, the National Wildlife Federation issued a report entitled "Failed Oversight - A Report on the Failure of the Office of Surface Mining to Enforce the Federal Surface Mining Control and Reclamation Act." That report states that: (1) at least 6,000 minesites have been mined without the environmental controls required by SMCRA; (2) in over 2,000 of the approximately 4,000 situations in which coal operators received orders to cease illegal mining activities from 1979 to 1983, the operators successfully ignored those orders; and (3) OSM has failed to collect approximately $200 million in fines owed by law-breaking coal operators.

Are you familiar with the contents and recommendations of the report?

Do you disagree with any of the findings and recommendations of the National Wildlife Federation report?

If so, what specifics do you disagree with and why?

A. I am generally familiar with the contents and recommendations of the Report. The Report discusses a number of problems and contains some sound suggestions which merit further consideration. The Report does commend the Department's negotiation of settlement agreements in the "Parker" and "2-acre" cases as major steps in stemming the abuses to which you refer. I have been concerned with these problems throughout my association with OSM. More recently, when my advice was specifically requested, I recommended these settlements to Secretary Hodel. I am committed to seeing that the terms of the settlements are met and that steps are taken to curb the other abuses.

Q. How do you propose to address the serious failures of the enforcement process at OSM?

What are your specific plans for increasing the actual citing of violations?

How do you propose to improve enforcement of the controls set out in SMCRA?

A. The draft Management Action Plan recently circulated by OSM addresses these questions. Public input will help shape and develop the initiatives that are described in the Plan. I am committed to see that the elements of the plan are thoroughly reviewed and are workable. Adequate resources will then be brought to bear to implement the actions called for, and management procedures will be instituted to enable appropriate tracking of milestones.

Bumpers #2

Q. Surface Mining Regulations - Regulatory Rewrite. In 1981, OSM began rewriting over 90 percent of the Federal surface mining regulations. Environmental organizations sued the agency in a massive lawsuit in which Federal Judge Thomas Flannery's four recent decisions remanded virtually every major regulatory change. Now OSM is forced under court order to go back and repropose new regulations to replace those which were revised and rejected by the courts. In the Interior Department's July 1985 report, Management Review of the Office of Surface Mining, it is noted that the regulatory rewrite and its litigation escalated OSM's instability.

a. What was your role in this regulatory rewrite?

b. What was the reason for this rewrite?

c. In light of the court decisions which overwhelmingly claimed that the changes were not consistent with the Surface Mining Act and that they must again be rewritten, what possible benefit do you see the 1981 rewrite having for OSM, the States, and coal operators?

d. Do you anticipate the new regulations being very different from the regulations prior to the 1981 rewrite?

e. If so, how?

A. a. As the OSM Deputy Director, I provided policy direction to the Assistant Directors who actually wrote the rules. I did become personally and extensively involved in the drafting of some rules, specifically the inspection and enforcement rules and the "State window" rule. On the "State window" rule, OSM prevailed in litigation. To the best of my knowledge, the inspection and enforcement rules were not litigated.

b. The 1981 regulatory rewrite was undertaken partly as a result of rulings in litigation over OSM's 1979 regulations. Under these earlier rulings, a substantial number of regulations had been remanded by Judge Flannery, and many others were voluntarily withdrawn. The

regulatory gaps which resulted had to be filled. In other instances, the 1979 rules were too rigid and burdensome and did not recognize important differences among the various regions and States where coal is mined.

c. It is my understanding that more than two-thirds of the rule changes adopted in 1983 either were not challenged or were upheld. These changes form a vital part of OSM's regulatory program and remain in place today. Many of these gave the States more involvement and flexibility in designing and administering their regulatory programs, carrying out Congress' stated aim to establish a national program that could be tailored to particular local conditions. Other changes curbed program abuses such as those associated with the "2-acre" exemption. These, too, remain effective today. In addition, a number of standards which OSM adopted were more workable than their predecessors, benefiting OSM, the States, coal operators, and the environment.

d and e. Because the rules prior to the 1983 revisions contained many flaws, the rules currently being developed will necessarily be different from those in effect prior to 1981. As noted in the draft Management Action Plan, OSM expects to conduct a limited negotiated rulemaking process with interested constituent groups to find regulatory areas where consensus can be reached. Thus, I cannot anticipate the final shape of the rules at this time.

Bumpers #3

Q. I understand that the Department of Interior is currently reviewing the Simultaneous Oil and Gas Leasing Program and alternatives to that program.

- o What has been your involvement in that process?
- o Do you think the SIMO program should be changed?
- o If so, what type of system would you support?

A. In 1985 the Secretary requested the Under Secretary to chair a Departmental task force, on which I serve, to review the existing provisions of the Mineral Leasing Act of 1920, and to develop alternatives to the current leasing system for his consideration. I have also been working closely with both House and Senate Committee staffs to provide technical and analytical support and to discuss the various alternatives under review by interested parties.

I believe that the current leasing program, which depends upon geological interpretation as the sole factor to determine which lands are leased competitively, is in need of change. I would support a leasing program that has a market based orientation — one which leases valuable parcels, as valued by the marketplace, competitively, but leaves less valuable lands for an active noncompetitive leasing process.

Bumpers #4

Q. Surface Mining - Program Administration. The advanced draft of the "Plan for Action, Office of Surface Mining Reclamation and Enforcement, 1986-1987" was released recently.

- o What role did you have in the development of the OSM Management Action Plan?
- o Do you concur with the proposals for program management contained in the Plan?
- o Are there any proposals in the Plan with which you do not agree?
- o If so, which specific proposals are they and how would you address the issues differently?

A. I did not participate in the day-to-day preparation of the plan but I did provide advice to the Secretary on the plan formulation.

As I understand it, the draft Management Action Plan contains a number of wide-ranging proposals which attempt to reach consensus on some of the complex issues the agency faces. I agree with that goal. At this time I do not disagree with the basic concepts contained in the advance Draft Plan. Several questions have been raised by different interests. There will be a significant amount of debate, compromise and refinement prior to, and while, the Plan is being implemented.

Bumpers #5

Q. One of the key elements of the Surface Mining Act is the back-up Federal enforcement role when States fail to enforce. I have examined Section 521 of the Act and it seems fairly straightforward to me. If the Secretary has reason to believe that a violation of law exists, he must inform the State through what is known as a "ten-day notice." If the State does not take adequate enforcement action within 10 days or show good cause why no violation exists, then the Federal inspector must immediately inspect and take enforcement action, i.e., issue a Notice of Violation, and if not abated within a reasonable time, a Cessation Order is issued. Each step in the process is mandatory, reflecting the Act's overall mandatory enforcement scheme.

o Is that your understanding of the Federal enforcement role?

A. The Federal back-up enforcement authority is indeed a key element in the scheme of cooperative federalism established by the Surface Mining Act. I agree that where the Secretary has reason to believe that a violation of the Act exists, he must issue a notice to the State which requires the State to address the situation within 10 days. When the State responds to the notice, the Secretary must determine whether that response is appropriate. Often that may be done in short order, but on occasion the State's response may raise complex questions of a technical or legal nature which require the Secretary to study the matter or confer with the State regulatory authority before deciding on the appropriateness of the State's position. For this reason, I do not interpret the Surface Mining Act to require the Secretary to order a Federal inspection immediately following the expiration of the 10-day notice period. The Secretary must, however, act as promptly as the circumstances permit to determine whether the State has properly and effectively addressed the matter. Once the Secretary determines that any State has failed to respond appropriately to the 10-day notice, I agree that he must immediately order a Federal inspection, and that the Federal inspector must cite the violation if he observes it.

QUESTIONS SUBMITTED BY SENATOR FORD

Ford #1

Q. As Assistant Secretary, what role would you expect to assume with respect to the Office of Surface Mining?

A. If confirmed, I will have direct supervisory responsibility over the OSM Director. I do not contemplate being involved in the day-to-day activities of OSM because, in my view, that is the responsibility of the OSM Director. It would be my intention to be involved in the development of overall policy guidance for OSM, be available for consultation, and generally to take such steps necessary to assure that the agency is implementing the policies and goals of the Secretary.

Ford #2

Q. We understand that Earl Gjelde, Counselor to the Secretary, has assumed an active role in the management of OSM. What is your understanding of his role?

- o What is your understanding of the role of Jed D. Christensen, Acting Director of OSM?
- o Please describe your anticipated role, authority, and responsibilities, vis-a-vis Mr. Gjelde and Mr. Christensen.

A. Secretary Hodel identified OSM as one of the two top management issues at the Department of the Interior in early 1985. In order to provide a personal representative of the Secretary to address the OSM issue, Earl Gjelde was directed to oversee the development of the Management Action Plan, designed to address the difficulties involved in implementing SMCRA as well as to meet the Secretary's overall objective of attempting to reach consensus on difficult resource management issues.

The role of OSM's Director is to implement the policies of the Secretary in keeping with the statutory mandate of SMCRA.

In the future, it is my expectation that once the Management Action Plan is in place, OSM will return to the normal reporting relationship, through the Assistant Secretary's office to the Secretary.

Ford #3

Q. You testified before this Committee on November 8, 1985, regarding the Federal Coal Leasing Program. At that time, in response to a question regarding the possible use of lease assignments to circumvent the Mineral Lands Leasing Act Section 2(a)(2)(A) diligent development requirements, you testified that you had not sufficiently considered the issue. Have you now had time to consider that issue?

If so, is it currently possible for lessees to circumvent Section 2(a)(2)(A) requirements through assignments? What steps do you think should be taken to prevent this?

A. Although I have not had time to thoroughly review the issue, I have been informed that Departmental regulations effectively prohibit assignment of coal leases to any entity not in compliance with section 2(a)2(A) of the Mineral Lands Leasing Act. I support enforcement of such regulations to ensure section 2(a)2(A) is not circumvented.

Ford #4

Q. What levels of leasing under the Federal Coal Leasing Program would you like to see in the future?

Do you think the current market justifies any additional coal leasing at this time?

A. The Federal-State Coal Advisory Board Charter signed by Secretary Hodel in spring 1985 gives leadership responsibility for the determination of coal leasing levels to the Regional Coal Teams for each of the six coal leasing regions. These teams, composed of representatives of the Governors of the States involved and BLM State Directors, are to consider an array of factors, including current market analyses, in providing a recommendation to the Secretary regarding the timing and configuration of possible future sales. These recommendations may be rejected by the Secretary only if there are overriding national considerations.

As indicated above, the primary determination for leasing coal will be made by the Regional Coal Teams. One of the first functions of the Regional Coal Teams will be to determine if current market conditions justify additional leasing. This issue is constantly reexamined during the 2- to 3-year process that may lead eventually to a lease sale recommendation to the Secretary.

Ford #5

Q. We hear a lot about the loss of good personnel at the Office of Surface Mining. How many employees were lost or not needed as a result of States acquiring primacy?

A. During the Fiscal Year 1981 and Fiscal Year 1982 period when the States were achieving primacy, OSM's permanent employment decreased by 216 or approximately 25 percent. Most of the decrease was in the inspector ranks where the Federal workload for statistical sampling under primacy was substantially less than the interim Federal program requirement to inspect every mine twice a year. During this period, the number of State inspectors grew to the present total of 642. All OSM employees affected by the staff reduction and reorganization who desired to stay with OSM were given the opportunity to transfer to another position in the agency.

QUESTIONS SUBMITTED BY SENATOR METZENBAUM

Metzenbaum #1

Q. If confirmed, will it be your position that the following responsibilities for a federal surface mining inspector are mandatory upon observing a violation of any requirement of SMCRA or any permit condition required by SMCRA:

A. The OSM inspector is required to immediately issue a 10-day notice to the state.

B. The OSM inspector is then required to reinspect the mine site immediately after 10 days expire to review and evaluate the state response.

C. The OSM is required at this reinspection to issue the operator a federal Notice of Violation (NOV), with a mandatory time frame for abatement, if the state has failed to take appropriate enforcement action to cause the violation to be corrected or has failed to show good cause for such failure.

D. The OSM inspector is required to order a cessation of the mining operation if the operator has not corrected the violation within the abatement period prescribed in the NOV.

E. That if a state chooses to appeal the issue, none of these responsibilities may be delayed or deferred while the state exhausts its appeal process.

A. I agree that where the Secretary has reason to believe that a violation of the Act exists, he must issue a notice to the State which requires the State to address the situation within 10 days. When the State responds to the notice, the Secretary must determine whether that response is appropriate. Often, that determination may be made in short order. On occasion, however, the State's response may raise complex questions of a technical or legal nature which require that the Secretary study the matter and/or confer with the State regulatory authority before deciding on the appropriateness of the State's position. For this reason, I do not interpret the Surface Mining Act to require the Secretary to order a Federal inspection immediately following the expiration of the 10-day notice period. The Secretary must, however, act as promptly as circumstances

permit to determine whether the State has addressed the matter properly and effectively. Once the Secretary determines that the State has failed to respond appropriately to the 10-day notice, I agree that he must order an immediate Federal inspection, and that the Federal inspector must cite the violation, if he observes it, and set an abatement date of not more than 90 days. If the operator has not corrected the violation within the prescribed abatement period, the inspector must issue a cessation order, as required by Section 521(a)(3).

The regulations do not provide for a State right of appeal of preliminary determinations that a State's response is inappropriate. In a letter to Chairman Udall, the Secretary has stated his concern with the manner in which the Department considers the appropriateness of a State's response to a 10-day notice. It is my understanding that this issue has been raised in the draft Management Action Plan (MAP). The MAP has not yet undergone formal legal review, and this, among numerous other legal issues, has not been resolved within the Department. It will be resolved through the ongoing comment process anticipated by the MAP in our attempt to reach consensus on this difficult issue.

Metzenbaum #2

Q. If confirmed will you take the position that federal and state enforcement responsibilities does not end with the release of interim surface mining bonds?

A. It is my understanding that the authority to regulate interim program surface coal mining and reclamation operations does not cease until the mine operator meets all applicable reclamation standards and requirements contained in the Federal interim regulations. The Surface Mining Act does not require operators to post performance bonds for interim program sites; therefore, there is no correlation in the Act between the release of State-imposed interim surface mining bonds and the termination of enforcement responsibility under SMCRA. I understand that this issue has been identified in the draft Management Action Plan, and I believe that it should be resolved after the full public review and legal analysis that are ongoing at this time.

Metzenbaum #3

Q. If confirmed will you take the position that federal and state enforcement responsibilities do not end with the release of permanent program surface mining reclamation bonds?

A. It is my understanding that the effect of release of the performance bond required by a Federal or State regulatory authority under the permanent program is one of the most important unresolved questions raised by the Surface Mining Act. The draft Management Action Plan (MAP) suggests that OSM should develop regulations terminating Federal enforcement resonsibility upon permanent program bond release. As I stated to the Committee during my December 4 testimony, public involvement is crucial to developing consensus. Thus, I support resolution of this complex legal issue through the MAP process and any required rulemaking, in compliance with the Administrative Procedures Act and with appropriate analysis under the National Environmental Policy Act. For this reason, I must respectfully decline to make what would amount to a prejudgment of the issue.

Metzenbaum #4

Q. If confirmed, will you support and work toward implementing a credible program that encourages public utilities and other coal purchasing enterprises not to buy coal from mining operators who are in violation of SMCRA, or from coal brokers who have purchased coal from such violators?

A. If confirmed, I will support an initiative set forth in the draft Management Action Plan which would utilize the voluntary efforts of coal purchasers to limit the ability of gross abusers of SMCRA to market coal. A number of concerns have been expressed about the idea, which will be examined to determine their impact on the proposal. However, a credible program based on accurate, up-to-date information that encourages purchasers not to buy coal from gross abusers of SMCRA would negate the ability of such operators to profit from their disregard of the Act.

INFORMATION SUBMITTED FOR THE RECORD (Senator Metzenbaum)

Q. How much has been collected of the $150-$200 million debt of unpaid civil penalty assessments?

A. $8,613,496.17 has been collected through FY 1985. Of that amount, $7,516,039.54 has been deposited to the Treasury, and $1,097,456.63 has been placed in escrow awaiting decision on appeals.

Additionally, $15 million has been referred to CORLISS, a private collection agency under GSA contract, and is part of our routine processing. Over $65 million has been referred to our Solicitors for legal action. OSM is actively pursuing the balance of the debt by referring it to (1) a private collection agency; (2) the Solicitors; or (3) by reclassifying it to the Applicant Violator System.

INFORMATION SUBMITTED FOR THE RECORD (Senator Nickles)

Q. Provide for the record a copy of the agreement with the State of Oklahoma and OSM that sets forth the timetable for returning primacy to the State.

A. Attached for the record is a copy of an October 29, 1985, letter between OSM and the State of Oklahoma setting forth the plan for the return of full program authority to the Oklahoma Department of Mines. (See Attachment A.)

ATTACHMENT A

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
WASHINGTON, D.C. 20240

OCT 29 1985

Ms. Gayle Townley
Director, Oklahoma Department
of Mines
4040 N. Lincoln, Suite 107
Oklahoma City, Oklahoma 73105

Dear Ms. Townley:

The Office of Surface Mining (OSM) has completed its review of the documents submitted by the Oklahoma Department of Mines (ODM) entitled Permitting Plan and Inspection and Enforcement Plan. The documents contain plans and procedures that ODM intends to implement in the administration of its approved regulatory program. It is apparent that a great deal of time and effort went into the preparation of the documents. The plans appear to outline a sound approach and basis for administration of the Oklahoma surface mining control and reclamation program. Based on the information contained in the documents, major improvements in staffing and the substantial progress achieved in other program areas, I am prepared to recommend to the Director, OSM, that action be initiated leading to the phased resumption by ODM of the inspection and enforcement provisions of its approved regulatory program.

In order that I can make such a recommendation, I must have assurances from the State of Oklahoma that certain corrective action will be taken to resolve the remaining identified deficiencies that affect implementation of Oklahoma's approved program. Therefore, I need your concurrence on the items and actions identified in the enclosure.

OSM is available to assist Oklahoma in its effort to regain full program authority in whatever way possible. Should you have any questions or comments on the enclosed document, feel free to contact me.

Sincerely,

James H. Moncrief
Director, Tulsa Field Office

Enclosure

PLAN FOR RETURNING FULL PROGRAM
AUTHORITY TO THE OKLAHOMA DEPARTMENT OF MINES

In view of the substantial progress made by the Oklahoma Department of Mines in addressing concerns identified by the Office of Surface Mining, the Director of the Tulsa Field Office and the Director of the Oklahoma Department of Mines believe that the following actions will resolve the remaining issues and concerns associated with the administration of the Oklahoma permanent regulatory program. Implementation of these actions by both parties will result in full restoration of program authority to Oklahoma.

1. To minimize the potential for confusion and misunderstanding about the Permitting and the Inspection and Enforcement Plans during the resumption of authority, ODM agrees to identify or provide to OSM by December 16, 1985 copies of policy statements, guidelines, procedures and forms that are presently in use; policy statements, guidelines, procedures and forms that have been changed since submission of the plans; and policy statements, guidelines, procedures and forms that are being proposed, including timeframes for projected implementation.

2. ODM agrees to prepare and provide to OSM by December 16, 1985 lists identifying the current backlog of bond forfeiture actions and of injunctive relief proceedings regarding state issued violations and a plan including necessary commitments from the Attorney General's office as to how Oklahoma intends to address this backlog.

3. ODM agrees that its permitting and bonding processes will be in accordance with its plan and in compliance with the approved Oklahoma program. Specifically, ODM will implement procedures to:

(a) Calculate and set bonds sufficient to allow third party reclamation.
(b) Process bond forfeiture actions in a timely manner.
(c) Assure against after-the-fact revisions to permits.
(d) Prevent issuance of permits to operators with outstanding enforcement actions or unpaid AML fees pursuant to Section 786.19(g) and (h) of the approved Oklahoma regulations.
(e) Assure against inappropriate incidental boundary changes.

4. ODM agrees to reevaluate and revise permits for active and temporarily closed operations with emphasis being placed on those relevant permitting deficiencies identifed in the 1985 Annual Evaluation Report and place a high priority on those operations that have not received a permanent program permit. After reevaluation, ODM agrees to require additional reclamation bond for those active and temporarily closed operations that are found to be under-bonded. ODM agrees to provide to OSM by November 25, 1985 a schedule for accomplishing the permit upgrading effort described above.

5. Upon satisfactory completion of Items 1 and 2 and preparation of the schedule in Item 4, OSM will return to ODM on January 1, 1986 inspection and enforcement authority for all mines where mining has been completed or the site has been abandoned and no further mining at that site is intended by any person. OSM by December 15, 1985 will provide ODM with a list of the permits in the above categories.

6. Beginning after January 1, 1986 OSM will return to ODM inspection and enforcement authority for individual active and temporarily closed operations for which ODM has reevaluated and revised the permits and reclamation bonds in accordance with the procedures and processes identified in Items 3 and 4 above. Upon an affirmative demonstration to OSM that a reevaluated permit is in compliance with the approved program, OSM will notify ODM that the individual permit is returned to the State's jurisdiction.

7. OSM will continue to be responsible for any outstanding Federal enforcement actions taken since April 30, 1984, including any necessary follow-up inspections on those operations for which inspection and enforcement authority has been returned to ODM in accordance with Items 5 and 6 above.

8. ODM agrees to conduct joint inspections with OSM inspectors on a monthly basis for the first three months (1 complete inspection and 2 partial inspections) on those permits described in Item 6 above for which inspection and enforcement authority has been returned.

9. Upon completion by ODM of the affirmative demonstrations and resumption of inspection and enforcement authority for individual permits as described in Item 6 above, OSM will initiate procedures to terminate its 733 action in Oklahoma.

10. ODM agrees to provide to OSM quarterly reports as described at 30 CFR 936.18(d) until full program authority is returned to Oklahoma.

James H. Moseley OCT 29 1985

(Signature) Date

Director, Tulsa Field Office

Gayle Townsley 10/31/85

(Signature) Date

Director, Oklahoma Department of Mines

APPENDIX III

Additional Material Submitted for the Record

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
RECEIVED
NOV 6 1985
WASHINGTON, D.C. 20510

Mining and Reclamation Council of America

Suite 525 • 1575 Eye Street, N.W. • Washington, D.C. 20005 • (202) 789-0220

ROBERT SPENCER
Chairman of the Board

DANIEL R. GERKIN
President

November 6, 1985

HAND-DELIVER

The Honorable James A. McClure
Chairman
Senate Energy and Natural Resources Committee
358 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

Earlier this week, the President forwarded to you the nomination of J. Steven Griles to serve as Assistant Secretary, Land and Minerals Management, Department of the Interior. The Mining and Reclamation Council of America (MARC) strongly supports Mr. Griles' nomination and urges you to schedule confirmation hearings and executive session consideration at the earliest possible date.

As you are aware, it has been nearly a year since DOI has had the benefit of a Senate confirmed Assistant Secretary in this vital position. Considering the importance of the issues within that office's jurisdiction and the impact of those issues on our national energy and land use policies, we believe it is in everyone's best interest that Mr. Griles be confirmed as quickly as possible.

Best regards,

Daniel R. Gerkin
President

DRG:jlc/0382B

cc: The Honorable J. Bennett Johnston
Ranking Minority Member

cc: Members of the Senate Energy and Natural Resources Committee

ENVIRONMENTAL POLICY INSTITUTE

LOUISE C. DUNLAP
President

OFFICIAL COMMITTEE FILE
PLEASE RETURN

December 3, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
DEC 4 1985
WASHINGTON, D.C. 20510

Senator James McClure, Chairman
Senate Energy Committee
366 Dirksen S.O.B.
Washington, DC 20510

Dear Senator McClure:

I am submitting this letter for inclusion to the confirmation hearing record of Mr. J. Steven Griles for Assistant Secretary of Interior for Lands and Minerals Management. I originally intended to testify at the hearing, unfortunately I will be attending a funeral service that day, and, therefore, cannot be present.

My statement is brief and to the point. The Environmental Policy Institute (EPI) is opposed to the confirmation of Mr. Griles for the position of Assistant Secretary for Lands and Minerals Management. In reviewing Mr. Griles past record and deeds with both the State of Virginia and as Deputy Director of the Office of Surface Mining (OSM), we believe that Mr. Griles has been historically opposed to strong and adequate enforcement of the federal Surface Mining Control and Reclamation Act of 1977 (SMCRA).

In the late 1970's, while employed by the State of Virginia, Mr. Griles was largely responsible for the State's decision to challenge the constitutionality of SMCRA. The Supreme Court unanimously rejected this case in 1981 by ruling in affirmation of SMCRA.

As Deputy Director of OSM, Mr. Griles initiated several policies that, in our opinion, worked to undermine the effectiveness of SMCRA, and the enforcement abilities of OSM. Specifically, Mr. Griles initiated a reorganization of OSM in 1981 which, according to the House Subcommittee on Civil Service, resulted in forcing over 50% of OSM's most experienced personnel to leave the agency. This resulted in OSM remaining understaffed, inexperienced, demoralized, and too often incapable of meeting its mandatory responsibilities.

Also while OSM Deputy Director, Mr. Griles ordered the agency to review and rewrite over 90% of the federal surface mining regulations. In our opinion, this action was a calculated attempt to weaken many of the environmental protection standards in the regulations. We challenged this action in federal court,

which resulted in a favorable court decision rejecting virtually every major change attempted by Mr. Griles. As a result of this reckless effort to weaken the regulations, OSM's regulatory program continues to be in a constant state of flux. Furthermore, the effort has wasted millions of taxpayer dollars spent on the rewrite and its unsuccessful legal defense.

Another example of Mr. Griles reluctance to enforce SMCRA regards the failure of the Agency under his tenure to collect over $150 million dollars in outstanding civil penalties incurred by coal operators mining in violation of SMCRA. We acknowledge that many of these fines were cited prior to Mr. Griles' arrival to federal government, nonetheless, OSM, under his management, refused to take any credible collection effort until ordered to do so by a court order obtained by Appalachian citizens.

These allegations and concerns have been supported by various non-partisan Congressional reports (House Government Operation Reports 98-1146, and 99-206), and the Interior Department's own report on OSM (Management Review of the Office of Surface Mining, June 1985), which attribute these actions, and other, to promoting the instability and regulatory confusion currently present in OSM.

Due to Mr. Griles' track record with the Surface Mining Act, we cannot in good conscience support his nomination for a Departmental position that would allow him to continue to have line authority over OSM.

In 1983, former Secretary of Interior William Clark, reorganized the Interior Department which included moving OSM under the same Assistant Secretary that managed pro-development agencies such as BLM and MMS. That action conflicted with SMCRA's legislative history that specifically intended that OSM be insulated from developmental factions within the Department. Our objections, at the time, were ignored by Secretary Clark. Mr. Griles' nomination for that Assistant Secretary position only increases our concern that OSM will continue to be subjected to developmental pressure within the Department that are at odds with the goals of SMCRA. If OSM was placed under another Assistant Secretary's office, we would not oppose Mr. Griles' nomination for Assistant Secretary for Lands and Minerals Management at this time.

Thank you for the opportunity to submit testimony.

Best regards,

Louise C. Dunlap
President